# REPORT

OF THE

# BOMBAY CHAMBER OF COMMERCE

FOR THE

YEAR 1867-68.

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PRESENTED TO THE ANNUAL GENERAL MEETING
HELD ON THE 30TH SEPTEMBER 1868.

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Bombay:
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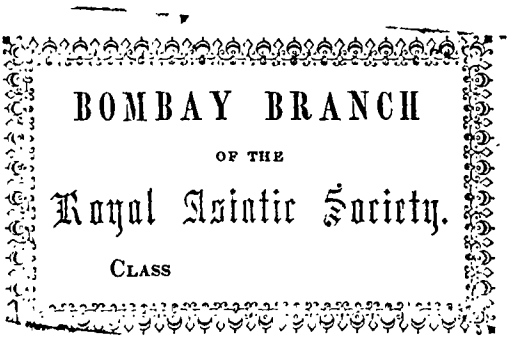
EDUCATION SOCIETY'S PRESS, BYCULLA.

1869.

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# Bombay Chamber of Commerce.

ESTABLISHED 22nd SEPTEMBER 1836.

## List of Members.

Messrs. Bell, Ventz, & Lucius.
" Blackwell & Co.
" Brice (A. C.) & Co.
" Burstall, Russell & Co.
" Campbell, Mitchell & Co.
" Classon (H.) & Co.
" Ewart, Latham & Co.
" Finlay, Clark & Co.
" Finlay, Scott & Co.
" Forbes & Co.
" Framjee, Sands & Co.
" Gaddum & Co.
" Graham (W. & A.) & Co.
" Gumpert (A. C.) & Co.
" Hill, Pollock & Co.
" Hutchinson, Dods & Co.
" Killick, Nixon & Co.
" King (G. S.) & Co.
" Knoop & Co.
" Kuhn (L.) & Co.
" Lawrence & Co.
" Leggatt & Co.
" Lockhart, (George) & Co.
" Lyon & Co.
" Macdonald, Twredie & Co.
" Macnee, Thomsen & Co.
Messrs. Mionnet (E.) & Co.
" Nicol (W.) & Co.
" Peel, Cassels & Co.
" Ralli Brothers.
" Rennie, Scovell & Co.
" Ritchie, Steuart & Co.
" Robinson & Co.
" Sassoon (D.) & Co.
" Siegfried & Co.*
" Stearns, Hobart & Co.
" Volkart Brothers.
" Wadia (J. N.) Sons & Co.
" Wallace & Co.
" Watson, Bogle & Co.
P. & O. S. N. Company.
The Chartered Bank of India, Australia, and China.
The Chartered Mercantile Bank of India, London, and China.
The Comptoir d'Escompte de Paris.
The London, Asiatic, and American Company, Limited.
The National Bank of India.
The Agra Bank, Limited.

### RETIRING COMMITTEE.

Hon'ble G. Foggo, *Chairman.*
C. Gaddum, Esq., *Deputy Chairman.*
T. E. Taylor, Esq.....
A. E. Ashley, Esq..... } *Members.*
F. Vix, Esq.....
W. F. Peel, Esq.....

### COMMITTEE FOR 1868-69.

Hamilton Maxwell, Esq., *Chairman.*
W. F. Peel, Esq., *Deputy Chairman.*
A. E. Ashley, Esq.....
D. Graham, Esq.....
R. V. Reid, Esq..... } *Members.*
J. P. Negroponte, Esq.....
G. A. Kittredge, Esq.....

Messrs. William Nicol & Co., *Treasurers.*
James Taylor, Esq., *Secretary.*
Muckondrow Bhawoo, *Head Clerk.*

# RULES AND REGULATIONS

OF THE

# Bombay Chamber of Commerce.

*Revised and adopted at a General Meeting held on the 1st of Dec.* 1864.

I. That the object and duties of the Chamber shall be to encourage a friendly feeling and unanimity among commercial men on all subjects involving their common good; to promote and protect the general mercantile interests of this Presidency; to collect and classify information on all matters of general commercial interest; to obtain the removal, as far as such a society can, of all acknowledged grievances affecting merchants as a body, or mercantile interests in general; to receive and decide references on matters of usage and custom in dispute, recording such decisions for future guidance, and by this and other means assisting to form a code of practice for simplifying and facilitating business; to communicate with the public authorities, with similar associations in other places, and with individuals on all subjects of general mercantile interest; and to arbitrate between parties willing to refer to and abide by the judgment of the Chamber.

II. That all persons engaged or interested in mercantile pursuits desirous of joining the Chamber, and disposed to aid in carrying into effect the objects of the same, shall be admitted Members by the vote of a majority of not less than two-thirds of those voting at a General Meeting, as provided for in Rule III.

III. That one-forth of the firms constituting the Chamber shall be held sufficient to form any General Meeting when the same has been regularly called together,—one partner representing a firm; but two or more partners of one firm, being present, only to count as one Member of the Chamber. That seven clear days' notice shall be given before any resolution proposing changes in the Rules of the Chamber be brought forward, and that such notice be given in writing to the Secretary, who shall circulate it for the information of the Members of the Chamber.

IV. That the Chamber reserves to itself the right of expulsion in case of need, to be decided at a General Meeting by a majority of three-fourths of the Members present at such General Meeting, duly convened.

V. The subscription of each firm or Member of the Chamber shall be Rupees 25 per month.

VI. That the affairs and funds of the Association be managed by a Committee of seven Members, consisting of the Chairman and Deputy Chairman of the Chamber and five Members, who shall be elected annually at a General Meeting of the Chamber in the month of September, and shall remain in office for one year, but be re-eligible on expiration of office. The Chairman and Deputy Chairman, as the case may be, to be *ex-officio* Chairman of the Committee, and in their absence the Committee to elect their own Chairman. Three to be a quorum. In the event of any Member of the Committee resigning or declining to serve, the remaining Members of the Committee shall fill up the vacancy.

VII. The Chairman, Deputy Chairman, and Members of Committee for election must be proposed at least seven days before the General Meeting to be convened for the purpose of elections, and their names be published in the rooms of the Chamber for that period, and by circular. No two Members of one firm shall be on the Committee at the same time.

VIII. That all questions before the Committee shall be decided by a majority, the Chairman having a second or casting vote in case of an equality of votes.

IX. That the Committee shall meet on Friday, or on such other day as may be found by them most convenient, of every week, to receive and dispose of all communications and references, and to take under their consideration generally all matters embraced in the objects of the Chamber; and that their proceedings be laid on the table for the inspection of all Members, subject to such regulations as they may make.

X. That General Meetings of the Chamber be held quarterly for the purpose of discussing any measures of public interest which may arise, and that in the interval between the Meetings the Committee of the Chamber be intrusted with the selection of subjects for discussion at those meetings, and give notice of the same to the Members beforehand. That a special General Meeting shall be called by the Chairman, or by his order, seven days after the receipt of a requisition from any three firms Members of the Chamber; but that a majority of firms, represented by one or more Members from each firm, being Members of the Chamber, be required to constitute such General Meeting, and that the Annual General Meeting shall be held in the month of September, on such day as the Committee for the time being shall direct, such Meeting to be convened on a seven days' notice. That all General Meetings of the Chamber shall be advertised in the newspapers.

XI. That the Committee be authorised to provide suitable accommodation for the meeting of the Chamber, to pay all expenses of the Establishment, and to control generally the management of the affairs of the Chamber.

XII. That all moneys or funds of the Chamber, as received, be paid into the hands of the Treasurer or Treasurers for the time being, and that the same be available by cheques signed by the Chairman, or in his absence by the Acting Chairman, for the time being, and by one other Member of the Committee.

XIII. That a Secretary be appointed by a majority of Members, in such way as the Committee for the time being may point out; that it shall be the duty of such Secretary to keep the records and accounts of the Chamber, to collect subscriptions, handing the same over to the Treasurer, to conduct correspondence, and to act generally under the directions of the Committee.

XIV. That all the proceedings of the Committee be subject to approval or otherwise of General Meetings duly convened.

XV. That any stranger engaged or interested in mercantile pursuits, visiting the Presidency, may be introduced as a visitor by any Member of the Chamber inserting his name in a book to be kept for that purpose, but that a residence of two months shall subject him to the rule for the admission of Members.

XVI. *Honorary Members.*—Gentlemen distinguished for public services, or eminent in commerce and manufactures, may be elected Honorary Members of the Chamber, and as such shall be exempted from paying subscriptions.

XVII. That an Annual Report of the proceedings be made, and copies sent to the similar associations in India, China, and elsewhere.

XVIII. That the foregoing Rules be added to or altered only by a majority of Members of the Chamber.

XIX. That the firms whose signatures are attached be considered as acknowledging the "Bombay Chamber of Commerce," as now constituted, to represent their public and united interests.

XX. That the foregoing Rules be copied into a book, to be kept with the records of the Chamber, and be signed by all the Members, and that copies be printed and delivered to each firm.

# TONNAGE SCALE AT BOMBAY.

At a General Meeting of Merchants held in the Offices of the Chamber of Commerce, Bombay, on the 6th of June 1856, convened by circular under the direction of the Committee of the Chamber, William Forsyth Hunter, Esq., Chairman of the Chamber, in the Chair—It was proposed by Henry Scott, Esq., of Messrs. Finlay, Scott, and Co., seconded by John Campbell, Esq., of Messrs. Campbell, Mitchell, and Co., and unanimously carried,—"That from and after the 1st of January 1857 the following amended Scale be taken to regulate the Trade from Bombay and the Malabar Coast to the United Kingdom, in the absence of Special Agreement to the contrary —

| Articles. | To the Ton. |
|---|---|
| Aloes, in kegs | 16 cwt. |
| Alum, in bags | 20 ,, |
| Annato, in cases | 50 feet. |
| Apparel | 50 ,, |
| Arrowroot, in cases | 50 ,, |
| Asafœtida, in cases | 50 ,, |
| Barilla | 20 cwt. |
| Bees' Wax, in cases | 50 feet. |
| Betelnut, in bags | 16 cwt. |
| Blackwood, in straight square logs | 50 feet. |
| Do. otherwise | 20 cwt. |
| Books | 50 feet. |
| Borax, in cases | 50 ,, |
| Do. in bags | 20 cwt. |
| Bullion | per cent. |
| Camphor, in cases | 50 feet. |
| Canes, Rattans, in Bundles | 16 cwt. |
| Cardamoms in Bundles | 50 feet. |
| Cassia Lignea, Fistula, and Buds | 50 ,, |
| Chassum | 10 cwt. |

| ARTICLES (continued) | To the Ton. |
|---|---|
| China Root, in cases ... ... ... ... ... | 50 feet. |
| Cigars ... ... ... ... ... ... ... | 50 „ |
| Cinnamon, in bales ... ... ... ... ... | 6 cwt. |
| Cinnamon, in cases ... ... ... ... ... | 50 feet. |
| Cloves, in cases.. ... ... ... ... ... | 50 „ |
| Do. in bags or frazils ... ... ... ... | 10 cwt. |
| Coals ... ... ... ... ... ... ... | 20 „ |
| Cocoa, in bags... ... ... ... ... ... | 12 „ |
| Coculus Indicus, in bags ... ... ... ... | 16 „ |
| Coffee, in cases ... ... ... ... ... | 50 feet. |
| Do. in bags or frazils ... ... ... ... | 16 cwt. |
| Coir, in bales ... ... ... ... ... ... | 50 feet. |
| Do. in bundles or loose ... ... ... ... | 6 cwt. |
| Do. Rope in coils ... ... ... ... ... | 8 „ |
| Colocynth, in cases ... ... ... ... ... | 50 feet. |
| Colombo Root, in bags . ... ... ... ... | 14 cwt. |
| Copra, in robins ... ... ... ... ... | 12 „ |
| Coral, Rough (not Specimen), in bags. ... ... | 20 „ |
| Cotton, in bales ... ... ... ... ... | 50 feet. |
| Cowries, in cases ... ... ... ... ... | 50 „ |
| Do. in bags ... ... ... ... ... | 20 cwt. |
| Cubebs ... ... ... ... ... ... | 12 „ |
| Cummin Seed, in cases ... ... ... ... | 50 feet. |
| Cutch or Terra Japonica, in bags or baskets, unscrewed | 16 cwt. |
| Dates, wet ... ... ... ... ... ... | 20 „ |
| Do. dry ... ... ... ... ... ... | 16 „ |
| Dragon's Blood, in cases ... ... ... ... | 50 feet. |
| Ebony, square and straight ... ... ... ... | 50 „ |
| Do. otherwise ... ... ... ... ... | 20 cwt. |
| Elephants' Teeth, in cases ... ... ... ... | 50 feet. |
| Do. in bundles ... ... ... ... | 18 cwt. |
| Do. loose ... ... ... ... ... | 20 „ |
| Furniture ... ... ... ... ... ... | 50 feet. |
| Galingals ... ... ... ... ... ... | 12 cwt. |
| Galls, in bags ... ... ... ... ... ... | 16 „ |
| Do. in cases ... ... ... ... ... | 50 feet. |
| Ginger, dry, in cases ... ... ... ... ... | 50 „ |
| Do. in bags ... ... ... ... ... | 12 cwt. |
| Gram ... ... ... ... ... ... ... | 20 „ |
| Ground Nuts, shelled... ... ... ... ... | 16 „ |
| Gums of all kinds, in cases ... ... ... ... | 50 feet. |
| Gum Olibanum, in bags ... ... ... ... | 16 cwt. |
| Hurtall, in cases ... ... ... ... ... | 50 feet. |
| Hemp, in screwed bales ... ... ... ... | 50 „ |
| Do. loose or in bundles ... ... ... ... | 7 cwt. |
| Hides and Skins in screwed bales ... ... ... | 50 feet. |

| Articles (continued). | To the Ton. |
|---|---|
| Hides and Skins, loose and in small bundles... ... | 12 cwt. |
| Horns, Buffalo and Cow, loose ... ... ... | 16 ,, |
| Horns, Deer, loose ... ... ... ... ... | 8 ,, |
| Horn Tips, of any kind. ... ... ... ... | 16 ,, |
| Indigo, in cases. ... ... ... ... ... | 50 feet. |
| Jackwood ... ... ... ... ... ... | 50 ,, |
| Lac Dye, in shells or cases ... ... ... ... | 50 ,, |
| Linseed, in bags. ... ... ... ... ... | 18 cwt. |
| Mace, in cases... ... ... ... ... ... | 50 feet. |
| Mother-o'Pearl, in cases ... ... ... ... | 50 ,, |
| Do. in bags ... ... ... ... | 20 cwt. |
| Munjeet or Madder Root, in cases or bales ... ... | 50 feet. |
| Do. in bundles or bags. ... | 12 cwt. |
| Musk, in cases... ... ... ... ... ... | 50 feet. |
| Myrabolams, in bags ... ... ... ... ... | 16 cwt. |
| Nutmegs, in cases ... ... ... ... ... | 50 feet. |
| Nux Vomica, in cases... ... ... ... ... | 50 ,, |
| Do. in bags ... ... ... ... ... | 16 cwt. |
| Oil of any kind, in casks ... ... ... ... | 210 im.gls. |
| Oil Seeds, Teel, Rape, Mustard, Khorassan, and Castor. | 17 cwt. |
| Opium ... ... ... ... ... ... ... | per chest. |
| Paddy, in bags... ... ... ... ... ... | 16 cwt. |
| Pepper, in bags.. ... ... ... ... ... | 16 ,, |
| Pimento ... ... ... ... ... ... | 14 ,, |
| Plumbago, in bags ... ... ... ... ... | 20 ,, |
| Rattans, in bundles ... ... ... ... ... | 16 ,, |
| Do. Ground ... ... ... ... ... | 16 ,, |
| Red Wood ... ... ... ... ... ... | 16 ,, |
| Rhubarb, in cases ... ... ... ... ... | 50 feet. |
| Rice, in bags ... ... ... ... ... ... | 20 cwt. |
| Safflower, in cases ... ... ... ... ... | 50 feet. |
| Do. in screwed bales ... ... ... ... | 50 ,, |
| Do. in bags ... ... ... ... ... | 10 cwt. |
| Sago, in cases ... ... ... ... ... ... | 50 feet. |
| Sal Ammoniac, in cases. ... ... ... ... | 50 ,, |
| Do. in bags. ... ... ... ... | 18 cwt. |
| Saltpetre. ... ... ... ... ... ... | 20 ,, |
| Sandal and Sapan Wood ... ... ... ... | 16 ,, |
| Sealing Wax, in cases... ... ... ... ... | 50 feet. |
| Senna, in bags... ... ... ... ... ... | 6 cwt. |
| Do. in bales. ... ... ... ... ... | 50 feet. |
| Shells, Rough, in bags . ... ... ... ... | 20 cwt. |
| Silk, in bales ... ... ... ... ... ... | 10 ,, |
| Do. in cases ... ... ... ... ... ... | 50 feet. |
| Soap, in cases ... ... ... ... ... ... | 50 ,, |

| ARTICLES (continued). | To the Ton. |
|---|---|
| Sugar, in bags... ... ... ... ... ... | 20 cwt. |
| Talc ... ... ... ... ... ... ... | 20 „ |
| Tallow... ... ... ... ... ... ... | 50 feet. |
| Tamarinds ... ... ... ... ... ... | 18 cwt. |
| Tea, in chests... ... ... ... ... ... | 50 feet. |
| Timber, Teak, Square Planks and Poon ... ... | 50 „ |
| Do. Round, one-fifth off. | |
| Tobacco, in bales ... ... ... ... ... | 50 „ |
| Tortoise Shells, in chests ... ... ... ... | 50 „ |
| Turmeric, in bags ... ... ... ... ... | 13 cwt. |
| Tutenague ... ... ... ... ... ... | 20 „ |
| Unrated Wood. ... ... ... ... ... | 14 „ |
| Whanghees (*vide* Canes). ... ... ... ... | 16 „ |
| Wheat ... ... ... ... ... ... ... | 20 „ |
| Wines and Spirits, in Casks ... ... ... ... | 50 feet. |
| Do. in cases ... ... ... ... | 50 „ |
| Wool, in screwed bales. ... ... ... ... | 50 „ |
| Zedory... ... ... ... ... ... ... | 20 cwt. |

*** The Standard Ton at Bombay for Measurement Goods shall be taken at 50 cubic feet.

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Proposed by James Fleming, Esq., of Messrs W. Nicol and Co., and seconded by William Trevor Roper, Esq., of Messrs. Lawrence and Co., and carried unanimously,—"That the Freight on Oil be paid on the full gauge of the Cask, ascertained at the port of discharge."

Proposed by Thomas Stock Cowie, Esq., of Messrs. Remington and Co., and seconded by John Parsons, Esq., of Messrs. Cardwell, Parsons, and Co. and carried unanimously,—"That when Freight is payable on weight the same is to be on the Nett Weight delivered."

(Signed) W. F. HUNTER,

*Chairman.*

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# RULES AND REGULATIONS

**For the Measurement by Callipers, upon Shipments to Great Britain, of Cotton, Wool, Hemp, and other Screwed and Pressed Bales at this Port.**

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I. That Callipers shall from time to time be submitted to the Secretary of the Chamber of Commerce, and if found correct shall be branded with a Stamp bearing the name of the Chamber, to indicate the same.

II. That if, from use or otherwise, any Callipers should get out of order and be objected to, the party objecting shall send the Callipers to the Chamber for examination, and should the objection be valid, the Chamber Stamp shall be defaced by the Secretary; if, however, the objection is found to be groundless, the Secretary shall give a note to that effect, and the party objecting shall be bound by his decision.

III. That any Callipers found incorrect, and on which the Stamp has been defaced, may be re-stamped after adjustment.

IV. That no measurements shall be held good except such as are taken by Callipers bearing the Chamber's Stamp.

V. That Cotton, Hemp, Wool, and other screwed bales shall be measured as follows: namely, the greatest length to be first ascertained, and then the Bale to be set on either end, as the Shipmaster may wish, and cross measurements to be taken at top over the lashings, excepting the knots, and as near the centre of the bale as possible. That an average of 100 bales be struck by ascertaining the actual measurement of any 10 bales, and proportionately, the Shipper selecting and measuring one-half, and the Shipmaster the other half; should, however, any dispute or difficulty arise in the selection of bales, either party to have the option of measuring the whole quantity.

VI. That all produce subject to measurement be measured within the day on which it has been ordered to be screwed, provided the order has been given by the Shipmaster or Agents of the Vessel; and that from 1st June to 15th October the same be measured at the Screws; during the remainder of the year, if required, on the Bunder, weather permitting. No Cotton, Wool, or other goods to be measured until a Custom House Pass has been obtained for the same.

VII. That in the event of the Shipmaster not attending to measure at such hour as may have been appointed by him, the Agent or Agents of the Ship do empower a person to attend on his behalf, whose sanction to the measurement shall be binding upon the Shipmaster.

# GENERAL RATES OF COMMISSION.

*Table of General Rates of Commission chargeable in Bombay, as revised by the Chamber of Commerce, and confirmed at a General Meeting held on the 11th February 1843.*

| | | Per cent. |
|---|---|---|
| 1. | On procuring freight .. ... ... ... .. Brokerage, when actually incurred, shall be considered a legitimate charge in ship's accounts. | 5 |
| 2. | On collecting freight .. ... ... .. .. | 2½ |
| 3. | On tendering a vessel (if accepted) for the conveyance of troops: on the amount of the charter party ... .. | 5 |
| 4 | On shipping goods of every description on which no commission for the purchase has been charged... .. | 2½ |
| 5. | On shipping treasure, bullion, and jewellery ... ... | 1 |
| 6. | On ship's disbursements when in funds ... ... ... | 1 |
| 7. | On ship's disbursements when not in funds ... ... | 2½ |
| 8. | On account of passage money, whether the same passes through the Agent's hands or not ... ... ... | 2½ |
| 9. | On effecting insurance ... ... ... ... ... | ½ |
| 10. | On settling insurance losses, whether partial or total, also on procuring return of premium, exclusive of commission on receipt of cash ... ... ... .. | 2½ |
| 11. | On the sale or purchase of goods of all denominations (except as under) ... ... ... ... ... | 5 |
| 12. | On purchases of all kinds with the proceeds of goods sold, and on which a commission of 5 per cent. has been previously charged ... ... ... ... | 2½ |
| 13. | On the sale or purchase of ships, houses, and lands, of opium, and of diamonds, pearls, and jewellery of all descriptions ... ... ... ... ... ... | 2½ |
| 14. | On the sale or purchase of treasure or bullion ... ... | 1 |

| | | Per cent. |
|---|---|---|
| 15. | On the sale or purchase of cattle ... ... ... .. | 5½ |
| 16. | On goods consigned which are disposed of by outcry or sent to a shop, on net proceeds... ... ... ... | 5 |
| 17. | On goods consigned and afterwards withdrawn, invoice cost ... ... ... ... ... ... ... | 2½ |
| 18. | On guaranteeing the responsibility of person to whom goods are sold, on the amount of sale ... ... ... | 2½ |
| 19. | On attending the delivery of contract goods to the company or individuals... ... ... ... ... | 2½ |
| 20. | On collecting house-rent ... ... ... ... ... | 2½ |
| 21. | On sale or purchase of private bills of exchange .. .. | 1 |
| 22. | On effecting remittances by bills of exchange ... ... | 1 |
| 23. | On taking up at interest bills from the Company, exclusive of one per cent. on remitting ... .. ... | 1 |
| 24. | On exchanging Company's securities of all descriptions, or investing money therein, and on transferring Government paper from one constituent to another .. | ½ |
| 25. | On surrendering or depositing in the Treasury Company's security of all descriptions ... ... ... | ½ |
| 26. | On procuring money on respondentia or on loan... .. | 2 |
| 27. | On recovering of bonds, or of bills for absentees overdue at the time of their being placed in the possession of the Agent ... ... ... ... ... ... | 2 |
| 28. | On debts when a process at law by arbitration is necessary ... ... ... ... ... ... ... | 2½ |
| 29. | On debts when recovered by such means... ... ... | 5 |
| 30. | On managing the affairs of the estate for an executor or administrator ... ... ... ... ... ... | 5 |
| 31. | On recovering funds from a bankrupt estate ... ... | 2½ |
| 32. | On guaranteeing bills, bonds, or debts in general, by endorsement or otherwise... ... ... ... .. | 2½ |
| 33. | On bills of exchange returned noted or protested... ... | 1 |
| 34. | On granting and cashing letters of credit... ... ... | 2½ |
| 35. | On becoming security to Government or public bodies in any case ... ... ... ... ... ... | 2½ |
| 36. | On depositing Government paper as security for constituents... ... ... ... ... ... ... | 1 |

Per cent.

37. On receipt or payment, at the option of the Agent, of all moneys not arising from proceeds of goods on which commission has been previously charged ... 1

38. In cases where the debtor side of the account exceeds the creditor side, including the balance of interest, commission to be charged at the rate of ... ... 1

NATIVE CONSIGNMENTS.—By a Resolution of the Chamber passed unanimously on the 29th of March 1866, it was ruled "that the recognised rate of Commission in England on the sale of Consignments from Bombay taken after this date be 3½ per cent., exclusive of brokerage and guarantee, and that the same be added to the Scale of Commissions sanctioned by the Chamber.

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At a Special General Meeting of the members of the Chamber of Commerce held on 30th April 1868, it was unanimously resolved that the following rates for ships' commissions be added to the general list of commissions approved by the Chamber:—

For executing orders to Charter or engage Tonnage in Bombay or at outports ... ... ... ... ... ... 2½ per cent.

On realizing Bottomry Bonds or negotiating any loan on *respondentia* ... ... ... ... ... ... ... 2½ per cent.

On landing and re-shipping goods from any vessel in distress, stranded, or wrecked, or on landing or selling by auction damaged goods from any such vessel, and acting as agent for the master on behalf of all concerned, on the declared value of all such goods as may be re-shipped, and on net proceeds of all such goods as may be publicly sold ... ... ... ... ... ... 5 per cent.

If Opium, Indigo, Raw Silk, or Silk Goods ... 2½ per cent.

If Treasure, Precious Stones, or Jewellery ... ... 1 per cent.

On Moneys expended, *i. e.* on all disbursements made in efforts to save Ship or Cargo ... ... ... .. ... 5 per cent.

On Ships leaving the Port in ballast which have been consigned inward free of commissions, 6 annas per ton upon the English tonnage.

On Ships leaving the Port in ballast which have been consigned inwards and outwards, 12 annas per ton upon the English tonnage.

# SHIP FREIGHT INWARDS.

In August 1858 a general agreement was come to by the merchants in Bombay to the effect that Inward Freight, when stated in sterling, or payable at the current rate of exchange, should, in the absence of special agreement, be paid and received at the rate of two shillings per rupee.

The manner in which the agreement was afterwards printed in the Annual Reports of the Chamber led to differences of opinion regarding its proper interpretation, and also as to the original intention of the framers.

Reference was then made to the original draft, which, on being produced, was found to be in terms as above stated.

The subject was brought before a general meeting of the members of the Chamber held on 30th April 1868, when,—it having been considered desirable that on a matter of so much importance the agreement should be set forth in such a manner as would prevent all misunderstanding in future,—the following resolution, as a re-declaration of the original agreement, was unanimously agreed to, viz:—

"With refererence to the payment of Inward Freight at Bombay when stated in sterling, or when stated to be payable at the current rate of exchange, we the undersigned merchants do hereby agree that all such freight falling due after this date shall, in the absence of special agreement, be paid and recovered by us at the rate of two shillings per rupee."

JAMES TAYLOR,
Secretary.

*Bombay Chamber of Commerce,*
30*th April* 1868.

# GENERAL MEETINGS IN 1867-68.

A SPECIAL GENERAL MEETING of the members of the Chamber of Commerce was held on Thursday the 30th April 1868, at 12 o'clock noon, for the transaction of the following business:—

1. To Elect a Deputy Chairman in the room of James Bogie, Esq., proceeded to Europe.
2. To receive the Reports of the Committees on Ships' Commissions and Trade Returns.
3. To consider certain points raised in reference to Ship Freight Inwards.

PRESENT.

Honorable George Foggo, *Chairman.*

A. E. Ashley, Esq.
J. A. Anderson, Esq.
W. E. Crum, Esq.
D. Graham, Esq.
H. Dods, Esq.
T. E. Taylor, Esq.
H. Somerville, Esq.
C. G. Heering, Esq.
Hamilton Maxwell, Esq.
W. Christian, Esq.
F. Vix, Esq.
H. E. Bright, Esq.
Nanabhoy Byramjee, Esq.

James Taylor, *Secretary.*

The notice convening the Meeting having been read by the Secretary,

The following Bank was proposed and admitted a member after a ballot:

The Agra Bank, Limited, proposed by Mr. Bright, of Messrs. Wallace & Co., seconded by the Chairman.

The Chairman proposed that Mr. Charles Gaddum, of the firm of Messrs. Gaddum & Co., be elected to the office of Deputy Chairman, in the room of James Bogie, Esq., proceeded to Europe, which motion was seconded by Mr. D. Graham, of Messrs. W. & A. Graham & Co., and carried unanimously.

The Secretary was then called upon to read the report of the Select Committee of the Chamber on the subject of Ships' Commission and Trade Returns, which having been done,

It was proposed by Mr. Hamilton Maxwell, of Messrs. W. Nicol & Co., seconded by Mr. W. Christian, of the firm of Messrs. Peel, Cassels & Co., and carried unanimously,

That the Report of the Special Committee on Ships' Commissions now read be adopted and added to the list of Commissions sanctioned by the Chamber.

The Chairman said the next business was a report referring to the Chamber's publications, and called on the Secretary to read an explanation of the arrangement which had been made by the Select Committee appointed to consider the subject.

The Chairman next introduced the subject of Ship Freight Inwards. The Secretary read an explanatory memorandum on the subject, from which it appeared that in August 1858 a general agreement was come to by the Merchants in Bombay to the effect that Inward Freight, when stated in sterling, or payable at the current rate of exchange, should, in the absence of special agreement, be paid and received at the rate of two shillings per rupee.

The manner in which the agreement was afterwards printed in the Annual Reports of the Chamber led to differences of opinion regarding its proper interpretation, and also as to the original intention of the framers.

Reference was then made to the original draft, which, on being produced, was found to be in terms as above stated.

The subject was now brought before a General Meeting of the Chamber, in order that on a matter of so much importance the agreement may be set forth in such a manner as would prevent all misunderstanding in future.

The following resolution, as a re-declaration of the original agreement was then proposed by Mr. Hamilton Maxwell, seconded by Mr. W. Christian, and unanimously agreed to :—

"With reference to the payment of Inward Freight at Bombay when stated in sterling, or when stated to be payable at the current rate of exchange, we, the undersigned merchants do hereby agree that all such freight falling due after this date shall, in the absence of special agreement, be paid and recovered by us at the rate of two shillings per rupee."

It was also resolved to have the agreement as re-declared, circulated for signature.

There being no other business before the Meeting, it was dissolved after a vote thanks to the Chairman.

THE ANNUAL GENERAL MEETING of the Chamber of Commerce was held at the office of the Chamber on Wednesday the 30th of September 1868.

PRESENT.

G. Foggo, Esq., *Chairman.*

C. Gaddum, Esq., *Deputy Chairman.*

| | |
|---|---|
| H. E. Astley, Esq. | Hon'ble Alexander Brown. |
| T. H. Moore, Esq. | Hamilton Maxwell, Esq. |
| C. H. Lucius, Esq. | W. Christian, Esq. |
| J. Sands, Esq. | J. P. Negroponte, Esq. |
| D. Graham, Esq. | J. G. Smith, Esq. |
| A. C. Gumpert, Esq. | F. Vix, Esq. |
| H. D. Dods, Esq. | G. A. Kittredge, Esq. |
| H. Muller, Esq. | H. E. Bright, Esq. |
| G. S. Clay, Esq. | J. Douglas, Esq. |
| C. Macdonald, Esq. | E. Arthur, Esq. |
| James W. Brown, Esq. | A. E. Ashley, Esq. |
| Bryan King, Esq. | C. E. Benn, Esq. |

James Taylor, *Secretary.*

The Notice convening the Meeting having been read by the Secretary,

The following firm was proposed and admitted a Member after a ballot :

Messrs. E. Mionnet & Co., proposed by Mr. Vix, of Messrs. Jules Siegfried & Co., and seconded by Mr. Charles Gaddum, of Messrs. Gaddum & Co.

The Chairman said that the annual Report of the Committee was now on the table. He might mention that this was the first occasion on which the report had been printed, the usual course has been for the Secretary to read it at the Meeting; but on this occasion it has been printed and the intention was that it should be in the hands of the members a day or two before the Annual Meeting, but by an accident it was not distributed to them till the previous afternoon, so perhaps some had not had an opportunity of reading it, but unless it was otherwise desired, he (the Chairman) would propose that it be taken as read to save the time of those present. The feeling of the Meeting being that it was unnecessary to read the report, it was taken as read.

It was then agreed on the motion of Mr. C. Macdonald, seconded by Mr. A. C. Gumpert, that the report of the Committee be received with thanks, and printed for general information, together with the documents therein referred to.

Mr. J. Sands proposed that the members of the Committee retiring are entitled to and now receive the thanks of the Chamber for their attention to its interests during the year of office now expired. Mr. T. H. Moore, seconded the motion, which was unanimously agreed to.

On the motion of the Chairman, seconded by Mr. H. E. Bright, the following gentlemen were appointed to act as the Committee for the ensuing year :—

| | |
|---|---|
| Hamilton Maxwell, Esq., of Messrs. W. Nicol and Co. | *Chairman.* |
| W. F. Peel, Esq., of Messrs. Peel, Cassels and Co. ..... | *Deputy Chairman.* |
| A. E. Ashley, Esq., of London Asiatic and American Co. ..... | *Members.* |
| D. Graham, Esq., of Messrs. W. and A. Graham and Co..... | |
| R. V. Reid, Esq., of Messrs. Finlay, Scott, and Co., ..... | |
| J. P. Negroponte, Esq., of Messrs. Ralli Brothers ..... | |
| G. A. Kittredge, Esq., of Messrs. Stearns, Hobart and Co..... | |

The question of the allowance to be made to dealers in cases of goods damaged by mildew or otherwise, was then considered by the Meeting, and on the motion of the Hon'ble A. Brown, seconded by C. Gaddum, Esq., it was unanimously resolved that :—

Messrs. H. E. Astley, C. Macdonald, W. Nixon, T. Wilson, and James W. Brown, be appointed in conjunction with the Committee of Management to determine what common form of Contract, if any, should be adopted by the Chamber, and to report within one month from the present date.

The Meeting then adjourned.

# ANNUAL REPORT.

Your Committee have now the pleasure to report to the Members of the Chamber on the principal topics which have engaged their attention during the official year just closed, before resigning their trust to their successors, to be appointed at the present meeting.

## DIRECT TELEGRAPHIC COMMUNICATION BETWEEN ENGLAND AND INDIA, *viâ* SUEZ AND BOMBAY.

The Members of the Chamber are well aware that ever since the opening of direct Telegraphic communication between India and England, *viâ* the Persian Gulf, Constantinople, and the continent of Europe in March 1865, the irregular and uncertain working of the line, and the delays, errors, and irregularities in the transmission of messages, have been a constant source of complaint and annoyance to merchants, both in this country and in England. As a remedy for the evils that had so frequently been complained of in connection with the Persian Gulf line, a scheme was projected in London last year for laying a submarine cable between Suez and Bombay, in connection with other cables and telegraphic wires from Suez to England *viâ* Malta, and was brought under the notice of your Committee in October last. The subject was very fully considered at the time, and as the best remedy for the evils complained of in reference to the present line appeared to be the adoption of a route which would be comparatively free from the accidents and dangers of foreign

interference, with the management and direction for the most part placed in English hands, your Committee prepared a memorial to His Excellency the Governor General in favour of the scheme, and asked for the aid of a Government guarantee to an undertaking which, on commercial and political grounds alike, might fairly be considered as one of national importance.

The memorial was duly signed by all the principal merchants and professional men in Bombay, and was forwarded to his Excellency the Viceroy through the local Government. The matter was at the same time brought to the notice of the Calcutta and Madras Chambers, and both promptly memorialized the Government of India to the same effect. Our memorial was submitted by the Bombay Government to Major Champain, Assistant Director-in-Chief of the Indo-European telegraph, who happened to be in Bombay at the time, who reported unfavourably upon it; and the local Government endorsed his opinion in a resolution, which said,—"Major Champain's arguments appear conclusive against a Government guarantee to a private Company for a Red Sea Line." The question received more favourable consideration at the hands of the Government of India, but the Secretary of State for India, in replying to the Governor General's Despatch on the subject—under date 30th April, said—"Without entering into any other considerations involved "in this subject, it may be sufficient to point out that if any "further expense is to be incurred by the State, the amount "ought to be divided between the Imperial and Indian "Exchequers, and that there is no present probability of "pecuniary aid, in the shape either of a subvention or a "guarantee, being given by the British Exchequer."

Thus the matter still rests, in so far as action on the part of Government is concerned; but from information that has reached your Committee there seems reason to hope the scheme may yet be carried out by a private Company, without the aid of a Government guarantee. *(Appendix* **A**.)

## THE WORKING OF THE INDO-EUROPEAN TELEGRAPH.

The working of the Indo-European Telegraph has been very fitful and irregular during a large portion of the official year just closed. In December there was an interruption of the line in Turkey, which caused telegrams to be at least twelve days in reaching Bombay from England, and there were irregularities of this kind of a more or less serious character up till March, when the Sub-Marine cable parted near Guadur, and we were nearly a fortnight without telegrams, private or public. Every exertion was made by Government with the means at its disposal to have the cable repaired as promptly as possible, but this was not accomplished till near the end of May. During the month of April there was another interruption in Turkey, and this, coupled with the broken cable, caused telegrams for a short time to be twenty days in coming to hand. An accident to the cable might of course happen to the best constructed submarine line of telegraph, and it would be unreasonable to complain of the delay caused by this accident, which unfortunately happened at the most important period of the commercial year. But the other delays referred to have at intervals been a permanent characteristic of the line eversince it was opened, and it is from a conviction that so long as we are dependent on semi-barbarous Governments, like those of Turkey and Persia, for the safety and regularity of our telegraphic communication with England, we are unlikely in the future to be exempt from the delays and irregularities that have been so much complained of in the past,—that a movement for another line *viâ* the Red Sea, which would render us to a great extent independent, has been initiated. During the past year your Committee regret to state, from evidence furnished to them by various members of the Chamber, that though there has been on the whole an improvement in reference to the accuracy with which

messages are transmitted as compared with previous years, there are still such serious blunders, either from mutilation or rendering words wrongly, that several firms who make large use of the telegraph have had much reason to complain of the loss and inconvenience they have suffered from these causes, and your Committee have felt it necessary to make a representation on the subject to Government. Members of the Chamber will have learnt from a letter from Colonel Goldsmid, Director-in-Chief of the Indo-European Telegraph, addressed to the Government of Bombay, which appeared lately in the newspapers, that the long-promised reduction in the rates for messages between England and India is to take effect from the 1st January next; when it is stated that the maximum rate of a message of 20 words from London to Calcutta, and *vice versâ*, will be £2 17s.

No copy of this letter was forwarded to the Chamber by Government, but on its appearance in the newspapers, and in reference to the concluding paragraph, which is to the following effect—"On the subject of cypher telegrams, I have addressed Colonel Robinson fully by the present mail, for his information, and that of the commercial public"—your Committee thought it necessary to address Colonel Robinson, requesting information as to the arrangements regarding cypher telegrams; a definition of what is meant by cypher telegrams; whether ordinary commercial messages, which as a rule are conveyed in words of hidden meaning, are to be classed as cypher messages; and what will be the rate charged for such messages. No answer to our inquiries has yet been received, but when it comes to hand it will be duly made public.

If the reduction in the rates is not to apply to messages consisting of words of hidden meaning it will be very little of a boon to the commercial public. The large revenue of the Indo-European Telegraph is mainly derived from commerce; at least ninety in every hundred of the messages transmitted are commercial messages, most of these mes-

sages consist in part of words of concealed meaning; and merchants will have reason to complain if they are precluded on this ground from participating to the full extent of the benefit which the proposed reduction is expected to confer on the public. (*Appendix* **B**.)

## THE INDIAN TELEGRAPH.

The Chamber was consulted a few months ago by the Director General of Indian Telegraphs as to a proposal for a reduced tariff on Indian Telegraph messages, by reducing the number of words in a single message or group to ten, and to have a uniform charge of one rupee per group for the whole of India; also for the creation of a scheme of express messages, which, on a fine of ten Rupees per single message, would be permitted to take precedence of all messages that had not been deposited in the office more than six hours. Your Committee highly approved of the proposal for a uniform charge of one rupee for a group of ten words for the whole of India, as a very great improvement on the present system; and they are glad to see by the recent public announcement that this important reform will come into effect on the 1st proximo. One passage however in the telegram which has appeared in the newspapers on this subject, has taken your Committee by surprise, namely, "that for every ten words in foreign language, or words of concealed meaning, or in cypher, the charge will be two rupees per group of ten words." Nothing was said on this point in the communication addressed to the Chamber by the Director General, except that "the compulsory registration of code messages would be maintained on account of the much greater labour and trouble which these messages involve." A registration fee of small amount may be reasonable, but doubling the cost of messages that may contain words of concealed meaning, seems to your Committee most unjust, and it will be the duty of the Chamber to protest against

such a proposal should it appear that no mistake has been made in the telegraphic announcement. The scheme for a system of express messages your Committee were unable to approve: it appeared to us that if carried out, and if the fine was to be only ten rupees, it would simply have had the effect of raising all commercial messages to that amount, for the scheme would be certain to be used almost entirely for commercial purposes, though the intention of the Director General in proposing it was quite of an opposite character. Your Committee considered that unless the fine were of an almost prohibitory character, which would make the rule proposed almost a dead letter, except in comparatively rare circumstances where a fine would not be considered of any account, it would be better to do nothing in the matter.

Members will be glad to learn that a Government line of telegraph from Nassick to Nagpoor is now in course of construction, and from information communicated to your Committee by Mr. Rivett-Carnac, the Cotton Commissioner for the Berars and Central Provinces, there is reason to hope that before next season commences, the great cotton marts of Oomrawuttee, Akoto, and Khamgaon, will be in direct telegraphic communication with Bombay, and that the great inconvenience experienced in sending commercial messages to these places last season will thus in future be avoided. (*Appendix* **C**.)

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## THE WORKING OF THE COTTON FRAUDS' ACT.

The subject of the working of the Cotton Frauds' Act was brought under the notice of the Chamber, in reference to a communication from one of the members, calling attention to its inefficiency in various ways in the cotton growing districts, early in the present year. The result of the opinions then elicited was to the effect that inefficient as the Act was in most respects, it was inexpedient to move for its repeal, and that it would be advisable to wait the action of Government

in the matter in reference to the recommendation made by our predecessors in office, that the Act might be amended in such a manner as might admit of the establishment which the Act called into existence being incorporated with that of the Cotton Commissioner, and that the Act itself, instead of being a mere Police measure, might be transformed into a Cotton Improvement Act. No action, however, has been taken in the matter by the Government of Bombay since the report of the Committee of last year, though the Chamber was informed some months ago, that the subject "was engaging much of the attention of His Excellency the Governor in Council;" and no report for the year ending December last by the Inspector-in-Chief of the Cotton Frauds' Department has yet been made public.

Your Committee are of opinion that the action of the Bombay Government in this matter was to some extent hampered by the proceedings of the Government of India. To the surprise of the members of this Chamber a Bill was introduced into the Council of the Governor General for making Laws and Regulations which proposed to repeal the the Bombay Cotton Frauds' Act, and to re-enact the substance of the same in another form, with additional provisions of an objectionable character, as an Act of the Government of India. If the proposed Bill had become law it would have had the effect of taking away all power from the Bombay Government, which was specially concerned with the management of the working of the Act, and placing it in the hands of the Government of India, which could not have used the power thus acquired to the advantage of the interests concerned. Your Committee thought it necessary to protest against the course proposed to be followed by the Government of India, as likely to lead to serious inconvenience. The title of the Bill was changed from a "Cotton Frauds" Bill to that of a "Cotton Improvement" Bill, a title which was open to much objection, as your Committee considered the question of the improvement of cotton cultivation in India of

too great importance to be disposed of by something very like a side wind; for there was really nothing in the Bill pertaining in any useful way to this important subject. The Bill was not proceeded with, and it is to be hoped it has been altogether laid aside. Whatever may be considered necessary in the way of further legislation should be left to the Bombay Government, so long as the fees exacted for the support of an establishment to work a Cotton Frauds' Act are taken from the pockets of Bombay exporters. (*Appendix* **D**.)

## IMPROVEMENT OF COTTON CULTIVATION.

Numerous samples, the result of experiments made for the improvement of Cotton cultivation, principally in the indigenous varieties, in various parts of the Presidency and elsewhere, have been submitted to your Committee for opinion and report during the past year. The number of these experiments, and their varied character, prove the continuance of the interest that is now taken in this important subject; but none of them were of a character of sufficient importance to require special mention on the present occasion, with the exception of those made by the Collector of Khandeish, the value of whose labours in this matter during the last three or four years, the Chamber has on several occasions thankfully recognised. Last year was remarkable as the first season of a crop grown from the Hingunghat seed which had been introduced into Khandeish by Mr. Ashburner, and members will realise for themselves some notion of the magnitude of the experiment, when we state, on the authority of the Acting Collector, Mr. Sheppard, that the extent of land under cultivation from Hingunghat seed, was not less than 156,240 acres. A number of samples from the several talookas were submitted to the Chamber by the Collector in December last, which your Committee carefully reported on. The samples of the new cotton from Hingunghat seed were found to be greatly superior to the new Khandeish Akote cotton in *staple*, but none of them

were found quite equal to Berar Hingunghat. A sample of new Khandeish Akote cotton was submitted at the same time, and this being the third season of the culture of this improvement on the old Khandeish Cotton, your Committee were sorry to report that it was inferior to the cotton of the first season. As this, in the view of your Committee, seemed to have an important bearing on the question of seed, we ventured to express with diffidence an opinion to the Collector—to the effect that the three years' experience with the New Khandeish Akote would seem to show that this new experiment with Hingunghat Berar seed might require to be continued with fresh seed imported from the district to which it was indigenous. Having had occasion to point out to the Collector that the samples forwarded were not large enough to report upon satisfactorily, when important interests are likely to be affected by the opinion that may be given, a very large sample was supplied by the Collector shortly afterwards of cotton grown from the imported Hingunghat seed in the Jamnair Talooka, which we were advised might be considered an average sample of Khandeish-grown Hingunghat. This sample your Committee considered by far the most satisfactory that had been submitted to the Chamber in connection with these experiments, and if similar cotton could be grown generally throughout the province it would undoubtedly prove to be the most important improvement that has yet been made. Most unfortunately, as the members of the Chamber well know, the crops last season in both Khandeish and Berar, were terribly damaged by the rain, which fell early in the present year, before the cotton was picked, and from this cause the public have had no opportunity yet of judging fairly as to the character of the new experiments in Khandeish.

The deterioration in the quality of the cotton grown in the South Mahratta country, generally known as Sawginned Dharwar, which three years ago had by the laborious exexertions of Dr. Forbes, the Cotton Commissioner for this

Presidency, been raised to the first place amongst Indian descriptions of cotton in the markets at home, has been matter of serious regret to all interested in the Indian cotton trade. The causes of deterioration are various; principally, your Committee consider, from information that has been laid before them, from deterioration in the quality of the seed, and the wretched state of the sawgins now in use throughout the province. Dr. Forbes is however amongst us again, he is giving his careful attention to this matter, and we may hope that, under his careful and vigilant superintendence, the Dharwar Cotton will, in the course of the next season or two, rapidly recover the position it formerly held in the estimation of merchants in this country and the cotton manufacturers at home. (*Appendix* **E**.)

## COTTON STATISTICS.

The recommendations made by the Chamber last year, in concert with Mr. Walton, at that time in charge of the Cotton Commissioner's office in the absence of Dr. Forbes, for a system of cotton statistics for this Presidency, and official reports on the state of the crops at suitable intervals, have been partially carried out during the present year, and copies of the various reports have been circulated amongst the Members, simultaneously with their appearance in the *Government Gazette*. To be of any great value, they would require to be furnished earlier to the Cotton Commissioner by the various Collectors, and some method should be devised for procuring information of like character from the cotton producing districts in the Native states within the boundaries of the Bombay Presidency. The subject has been brought to the attention of Dr. Forbes, and your Committee have no doubt he will do all in his power to make these statistics as useful as the official information placed at his disposal may enable him to do.

The returns furnished to the Chamber every fortnight, from the commencement of the cotton season to its close, by

Mr. Rivett-Carnac, of the quantity of cotton at the stations and the quantity forwarded to Bombay from the Berars and Central Provinces by the G. I. P. Railway and otherwise, have been found to be of great use; and your Committee have pleasure in acknowledging Mr. Carnac's zeal for the promotion of the interests of the cotton trade in the districts under his superintendence. (*Appendix* **F**.)

## COTTON MARKETS IN KHANDEISH.

Mr. Sheppard, the Acting Collector of Khandeish, informed the Chamber a few months ago, of his intention to establish two or more central cotton markets in the province during the ensuing season, and requested the opinion of the Chamber on the subject. Your Committee considered the the intention excellent, and if it could be carried out in such a manner as may be made to suit alike the convenience of the cultivators and the dealers and cotton agents, it would be a great benefit to the cotton trade. Your Committee, however, pointed out the importance of having these markets as near to Railway stations as may be practicable; for though the markets in Berar at Khamgaon and Oomrawuttee have been an undoubted success, great inconvenience and considerable expense are caused by the distance of these markets from the Railway stations, the former being twelve miles, and the latter six from the nearest station. (*Appendix* **G**.)

## MOVEMENT OF THE COTTON TRAFFIC ON THE G. I. P. RAILWAY.

A special meeting was held at the Office of the Chamber in October last year, for the purpose of considering, and if possible arranging, some differences between the Railway authorities and the European cotton agents in reference to the rates to be charged for the carriage of half-pressed, full-pressed cotton bales, and docras, per waggon load of a

given size. The meeting was attended by General Rivers, Agent, and Mr. Knox, the Traffic Manager of the G. I. P. Railway; Mr. Roghé, Cotton Agent, Mr. Rivett-Carnac, and various members of the Chamber. After some discussion the points raised by Mr. Roghé were satisfactorily arranged; at all events no complaints on the subject were afterwards put forward. The very efficient manner in which the cotton traffic was moved on the G. I. P. Railway during last season, as compared with former years, has been matter of congratulation with all engaged in the cotton trade, and reflects much credit on the present Traffic Manager and Acting Agent, Mr. Knox.

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## RENEWAL OF GOVERNMENT PROMISSORY NOTES AT MADRAS AND BOMBAY.

This matter, which is of very great importance to the Mercantile and Banking community, was specially brought to the notice of your Committee by the Madras Chamber, which had previously corresponded on the subject with the Madras Government. As members of the Chamber are aware, notes at present can only be renewed at Calcutta, and the time occupied in the process is seldom less than eight weeks, and as during that period the notes are not available for sale or deposit, the value of the paper is thereby depreciated, and the holders subjected to direct loss. Your Committee made a representation to the Bombay Government against the present system, pointing out the importance, in the interests of the Government and the public alike, for the facility being afforded of having Government Promissory Notes renewed, when necessary, both at Madras and Bombay. Your Committee have been informed by Government that the Accountant General has reported favourably on the representation we have made, and that His Excellency the Governor in Council has submitted the matter for the favourable consideration of the Government of India. (*Appendix* **H**.)

## REVISION OF THE TARIFF VALUES FOR GREY COTTON PIECE GOODS, AND YARNS.

In October last, your Committee, in consequence of representations made to them on the subject, drew the attention of Government to the excessive high tariff values for Grey Piece Goods and Yarns, which, owing to the very great fall which at that time took place in the price of these goods, made the valuations fixed for duty by Act XVII. of 1867 altogether out of proportion to the market rates then ruling. The matter was also taken up by the Calcutta Chamber, which made a representation of a similar character to the Government of Bengal. While the matter was still under consideration by the Government of India, the price of Cotton rapidly advanced, and the value of Piece Goods in the Indian markets rose considerably a few months after the representation of the Chamber had been made to Government. In these circumstances, and from the difficulty of arriving at a satisfactory basis for the settlement of fixed values, alike fair and equitable to Government and to the importer, it was deemed expedient that the proposed revision be for the present postponed. (*Appendix* I.)

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## WET DOCKS IN MOODY BAY.

Since this subject came under the notice of the Chamber last year, the Committee appointed by Government to consider the question in all its bearings reported their proceedings, in October last. The members were about equally divided on the question, five members of the Committee being in favour of Docks and five against. Government, in a very elaborate resolution, dated 21st December, which was communicated to the Chamber, reviewed the two reports and arrived at the conclusion "that Wet Docks are not (at present at least) practicable at Moody Bay, or in any situation on that part of the foreshore of the Harbour."

It was further stated that though Government felt constrained to adopt this view, it was "far from being satisfied that an improved system of boat basins only would meet the requirements of the trade," and expressed an opinion that "a sufficient area of tidal basins should be constructed in addition to the boat basins already contemplated; and provision should be made accordingly in the revised project for wharf accommodation." (*Appendix* **J**.)

## COMPULSORY REGISTRATION OF PARTNERSHIPS.

Our predecessors in office reported that a communication on this subject from the Government of India, requesting the opinion of the Chamber on certain points raised therein, had been remitted to a sub-committee for consideration. The sub-committee duly reported on the points brought under notice, and their opinions, which were in entire conformity with those of your Committee, were duly submitted to Government, with a view to legislation on the subject as early as possible. Your Committee were favoured, through the local Government, with copy of a communication from the Government of India acknowledging our communication, and thanking the Chamber for their expression of opinion, stating at the same time that the matter would be considered in the Legislative Branch. (*Appendix* **K**.)

## THE INDIAN SHIPPING BILL.

The opinion of the Chamber was requested by Government on the Bill for the Amendment of the Law of Merchant Shipping now before the Legislative Council of the Governor General. The Bill was carefully considered, and as the various clauses are framed according to the English Shipping Act of 1854, with the necessary changes to adapt that Act to the circumstances of India, your Committee

considered the Bill as on the whole well suited to the requirements of the shipping interests of this country, and adapted to the requirements of this port.

In reference, however, to Part V. of the Bill, which relates to the subject of inquiries into wrecks, &c., your Committee represented to Government that on all Marine Courts of Inquiry held in Bombay there ought to be at least two persons conversant with nautical affairs, appointed to act with the Magistrate. The custom at present is to have only one, and the result is to throw more responsibility on the only person on the Court of Inquiry, conversant with nautical affairs, than is desirable. There can be no difficulty in finding in Bombay at any time a sufficient number of persons, possessing such a knowledge of maritime affairs as would fit them for serving on Marine Courts of Inquiry, and though there is entire confidence in the Magistrate who at present presides in these courts, it is not fitting that he should be dependent on the views of one person on points involving special technical knowledge, where such important interests are involved. (*Appendix* **L.**)

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## INCREASE IN THE OVERLAND RATES OF POSTAGE.

The public of India learnt early in the present year, with astonishment and regret, from the announcement made by Her Majesty's Post Master General, London, that from 1st March last the postage on all letters sent between England and India *viâ* Southampton would be raised from six pence or four annas, to nine pence or six annas, per half ounce; and on those *viâ* Marseilles from ten pence, or six annas eight pies, to one shilling and a penny, or eight annas eight pies, per half ounce; an increase amounting to fifty per cent. on letters *viâ* Southampton, and of thirty per cent. on letters *viâ* Marseilles. Your Committee prepared a petition to the House of Commons, protesting against the

impolicy and injustice of this impost, which was not justified by any argument that would weigh against the commercial, social, and political objections against it,—which was forwarded to Mr. Graham, M.P. for Glasgow, and duly presented by him. A discussion on this objectionable impost took place in the House of Commons, and a motion made for its being rescinded was unsuccessful. Opposition, however will be taken to it in the new Parliament, which it is to be hoped will meet with greater success. (*Appendix* **M**.)

## PROPOSED EXTENSION OF THE B. B. & C. I. RAILWAY TO VEERUMGAUM.

The subject of this proposed extension of the Bombay, Baroda, and Central India Railway from Ahmedabad to Veerumgaum, came under the consideration of the Chamber early in the present year. The purpose of the proposed extension is to connect the main line with a town of considerable importance in itself, and the centre of a rich district of country for many miles round, and which must ultimately become the chief depôt of the important cotton trade of the British portion of Kattiawar. Your Committee informed Government that, "The proposed extension of the Bombay, Baroda, and Central India Railway from Ahmedabad to Veerumgaum is commended to the Chamber by the benefits it may be expected to confer on the important district of country it will pass through,—by the prospect it affords of opening up for purposes of extended trade and commerce the rich province of Kattiawar, and of inducing the chiefs of that country to supplement the present proposal by a line to be made at their own expense to connect British with Native territory,—by the advantages it will confer as a feeder of the main line by increasing the amount of traffic to an extent that may have the effect of lightening in a most material degree the burden of the Government 5 per cent. guarantee,—and by the comparatively small outlay at which these signal advantages may be obtained."

To this representation we were informed in reply by the Bombay Government, that "the Government of India have ruled that the question must remain in abeyance pending the consideration of other railway lines thought to be of greater State importance, and also financially advantageous." (*Appendix* **N**.)

## THE SILTING UP OF THE UPPER PORTION OF BOMBAY HARBOUR.

The attention of the Chamber was urgently called to the state of the upper portion of the Harbour, which on reliable evidence laid before your Committee was shown to have been steadily silting up for years past, and of late so rapidly that there is danger of that part of the Harbour being shortly unavailable for ships of even moderate tonnage.

Your Committee laid before Government the substance of the evidence which had been submitted to it, and requested that a matter affecting such important interests might receive its earliest attention. The subject was promptly considered by Government, and a resolution passed asking for reports upon it from the Chief Engineer, Presidency Division, and of the Consulting Engineer for Reclamations. But no further communication has been received from Government on the subject. (*Appendix* **O**.)

## SHIP FREIGHT INWARDS.

The manner in which the agreement as to the rate for the payment of Ship Freight Inwards entered into by the merchants of Bombay in August 1858 was printed in the Annual Chamber Reports led to differences of opinion regarding its proper interpretation, and also as to the original intention of the framers.

The subject was brought before a general meeting of the members of the Chamber held on 30th April last, when,—it

having been considered desirable that on a matter of so much importance the agreement should be set forth in such a manner as would prevent all misunderstanding in future,—the following resolution, as a redeclaration of the original agreement, was unanimously agreed to, viz. :—

"With reference to the payment of Inward Freight at Bombay when stated in sterling, or when stated to be payable at the current rate of exchange, we the undersigned merchants do hereby agree that all such freight falling due after this date shall, in the absence of special agreement, be paid and recovered by us at the rate of two shillings per rupee." (*Appendix* **P**.)

## MISCELLANEOUS.

Papers on the subjects of Railway progress in this part of India, the Currency of Zanzibar, and other questions of commercial interest will be found in the Appendices to this Report.

Many references have been made to your Committee during the past year on points of importance affecting the mercantile and shipping interests, which were duly considered and disposed of in the usual manner. (*Appendix* **Q**.)

## FUNDS OF THE CHAMBER.

There is only a small balance at present in favour of the Chamber in the Treasurer's hands, in consequence of increased expense on account of the new publications now issued under the sanction of the Chamber; these increased charges will, however, by and bye be met by the proceeds to a sufficient extent to prevent their being a burden on the ordinary income. (*Appendix* **R**.)

## CONCLUSION.

In conclusion your Committee, on resigning their trust, beg to return their acknowledgments to the members for their support and ready attention to all questions on which it has been found necessary to consult them. During their term of office your Committee have been in frequent communication with Government on questions of commercial and public importance, and they have to return their respectful acknowledgements to His Excellency the Right Honourable the Governor in Council for the consideration and attention which have been accorded to their representations.

# APPENDIX A.

## DIRECT TELEGRAPHIC COMMUNICATION BETWEEN ENGLAND AND INDIA *VIA* SUEZ AND BOMBAY.

No. 176 of 1867.

To His Excellency
Sir JOHN LAIRD MAIR LAWRENCE, Bart. G.C.B.,G.S.I.,
Viceroy and Governor General of India in Council.

THE MEMORIAL OF THE UNDERSIGNED MERCHANTS, BANKERS, AND OTHERS IN BOMBAY.

Respectfully Sheweth,—

That your memorialists are informed that the question of establishing a direct line of telegraphic communication between Great Britain and India, by laying a submarine cable from Suez to Bombay in connection with other cables and telegraphic wires already existing between London and Suez *viâ* Malta,—is at present engaging the attention of persons of influence and experience at home, who have memorialised Her Majesty's Secretary of State for India in Council to assist in carrying out the scheme by granting a Government guarantee of five per cent. on the required capital, on a plan similar to that enjoyed by the various Indian Railway companies.

That your memorialists are further informed the Secretary of State for India has expressed his intention to refer the question of guarantee to your Excellency in Council for consideration, and in these circumstances your memorialists venture to hope a brief expression of their views on a subject of so much public importance may not be unacceptable to your Excellency.

That the existing line of telegraph between India and England *viâ* the Persian Gulf, Bagdad, Constantinople, and the Continent of

Europe, is irregular and uncertain in its working, subject to constant delays, errors, and irregularities in the transmission of messages, while complete interruption of all communication whatever for more than a week at a time occasionally occurs.

That these frequent delays and uncertainties deter the public from using the line so freely as they otherwise would do, and the result is that the present Indo-European Telegraph comes far short of fulfilling those conditions of accuracy, regularity, and speed, necessary to render it the great benefit it ought to be to the commercial and public interests alike of England and India.

That the admitted defects and shortcomings of the present line are mainly due to the fact that it passes through large tracts of foreign territory, much of it wild and uncivilised, where European management cannot be brought to bear, and where ignorant and untrained native officials are alone obtainable.

That your memorialists are respectfully of opinion, the only remedy for the evils complained of in reference to the present line of telegraph, is to adopt a route which will have the incalculable advantage of connecting India and England by a complete line of telegraphic communication free from the accidents and dangers of foreign interference, and with the entire management and direction placed in English hands.

That a scheme of the character here indicated, would, in the opinion of your memorialists, be best carried out under the auspices of a well-organised English Company, but your Excellency hardly requires to be informed that the recent extensive collapse of Joint Stock enterprize, has rendered the formation of any new Company, however excellent its object, or however hopeful its prospects, a matter of the greatest difficulty, and there is reason to fear that a Company formed for the purpose of carrying out a project so desirable and so important on public grounds as that under consideration, would be unable to raise sufficient capital without the aid of a Government guarantee.

That the placing of India in direct and independent telegraphic communication with Great Britain by a route which would throughout, be under English direction and control, is an undertaking of national importance, entitling it to rank among those other great public works which Her Majesty's Government has felt justified in aiding with the assistance of a Government guarantee.

That the liberal policy which has been adopted by the Government of India in reference to the construction of Indian Railways, has been the means of conferring the most signal benefits on H. M.'s Indian Empire; and your memorialists respectfully submit that a

line of telegraph of the character already described, uniting India and England by almost instantaneous communication, in a manner more perfect and complete than can possibly be done by any existing means, is alike on commercial and political grounds, scarcely second in importance to Railways, and no less deserving of Government support.

That in thus venturing to lay their views before your Excellency, your memorialists disclaim all wish or intention of supporting any particular Company or scheme, their sole object is to express to your Excellency in Council their sense of the national importance of the question, and to state that in their humble judgment any well considered scheme brought forward by men of character and experience that may be submitted for the consideration of your Excellency's Government, and, which may on public grounds be otherwise approved of, should in the interests of the public be encouraged with the assistance of a Government guarantee.

That in the event of a scheme of this nature meeting the approval and receiving the support of your Excellency, your memorialists are respectfully of opinion that in affording a guarantee of five per cent. on the requisite capital, the pecuniary risk undertaken by Government would in a very short time prove to be altogether nominal;—while on the other hand the Government of India would be entitled to impose, and would no doubt be careful to dictate to the Company undertaking to carry out the scheme,—such terms and conditions as would ensure the service being conducted in a manner that would be satisfactory to Government and conducive to the public interests.

Your memorialists therefore beg respectfully to express their earnest hopes, that any well-considered scheme of the character herein described that may be submitted through Her Majesty's Secretary of State for the consideration of the Government of India, may, in view of the magnitude of the material and moral interests that now unite India and England, receive your Excellency's approval and sanction.

And your memorialists will ever pray.

FORBES & Co.
W. NICOL & Co.
EWART, LATHAM & Co.
CAMPBELL, MITCHELL & Co.
REMINGTON & Co.
RITCHIE, STEUART & Co.
PEEL, CASSELS & Co.
CHARTERED BANK OF INDIA, AUSTRALIA, & CHINA.
W. & A. GRAHAM & Co.
WALLACE & Co.
FINLAY, CLARK & Co.
CHARTERED MERCANTILE BANK.
LYON BROTHERS & Co.
KILLICK, NIXON & Co.
P. & O. COMPANY.
L. KUHN & Co.
GADDUM & Co.

Burstall, Russell & Co.
E. Bates & Co.
Framjee, Sands & Co.
Finlay, Scott & Co.
Hutchinson, Dods & Co.
A. C. Gumpert.
Ralli Brothers.
Knoop & Co.
Lawrence & Co.
Jules Siegfried & Co.
Bell, Ventz, & Lucuis.
Macdonald, Tweedie & Co.
G. S. King & Co.
Bank of Bombay.
Comptoir d'Escompte de Paris.
H. Classon & Co.
Volkart Brothers & Co.
David Sassoon & Co.
Leggatt & Co.
J. Sigg & Co.
A. C. Brice & Co.
Watson, Bogle & Co.
Rennie, Scovell & Co.
Stearns, Hobart & Co.
J. N. Wadia, Sons & Co.
Henry Cleveland.
Acland, Prentis, & Bishop.
Macfarlane & Green.
Rimington, Hore, & Langley.
C. C. Stanger Leathes.
John Dunbar.
James Geddes.
London, Asiatic, & American Company.
Blackwell & Co.
National Bank of India.
Knight & Mull.
S. McCulloch.
J. P. Green.
J. S. White.
C. J. Mayhew.
Lyttleton H. Bayley.
John Marriott.
John Macpherson.
John Connon.
Sir Charles Forbes & Co.
R. T. Reid, LL.D.
B. & A. Hormusjee.
N. & B. Wadia & Co.
Bomanjee Framjee Cama.
Vurjeevandass Madowdass.
Morarjee Goculdass.
Luckmidass Kimjee & Co.

James Taylor, Secretary to Chamber of Commerce.

*Bombay, November* 1867.

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No. 184 of 1867.

Bombay Chamber of Commerce,

*7th December* 1867.

E. W. Ravenscroft, Esq.,
Acting Chief Secretary to Government, Bombay.

Sir,—I have the honour by direction of the Committee of Management of the Chamber of Commerce to forward herewith a Memorial to His Excellency the Viceroy and Governor General of India, signed by the principal Merchants, Bankers, and others in Bombay, praying that the Government of India may support with a

Government guarantee any well-considered scheme that may be laid before it for the purpose of connecting India and England by direct Submarine Telegraphic communication *viâ* Suez and Bombay.

In handing this Memorial to Government, for further transmission to the Governor General, I am further directed by the Committee respectfully to express their hope that His Excellency the Right Honorable the Governor in Council may be able to support the views expressed therein.

I have the honour, to be,

Sir,

Your most obedient Servant,

JAMES TAYLOR,

Secretary.

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No. 191 OF 1867.

BOMBAY CHAMBER OF COMMERCE,

*9th December* 1867.

E. W. RAVENSCROFT, Esq.,

Acting Chief Secretary to Government, Bombay.

SIR,—With reference to my letter of the 7th instant, handing a Memorial for transmission to His Excellency the Viceroy and Governor General, praying for a Government guarantee to any well-considered scheme purposing to carry out direct telegraphic communication between India and England *viâ* Suez and Bombay, I have the pleasure to forward herewith 20 printed copies of the same.

I have the honour to be,

Sir,

Your most obedient Servant,

JAMES TAYLOR,

Secretary.

No. 27.

INDO-EUROPEAN TELEGRAPH DEPARTMENT.

*Bombay Castle, 29th February* 1868.

From Colonel W. F. MARRIOTT,
Secretary to Government.

To THE CHAMBER OF COMMERCE,
Bombay.

GENTLEMEN,—I am directed to acknowledge the receipt of your Secretary's letter dated 7th December last, enclosing a Memorial to the address of the Viceroy and Governor General of India, praying for a Government guarantee for any well-considered scheme for connecting India and England by direct Submarine Telegraphic communication *vid* the Red Sea, and in reply to acquaint you that it has this day been forwarded to the Government of India. I am desired to take this opportunity to forward to you copies of the papers noted in the margin, and of a Resolution No. 27 of this date recorded by this Government on the subject of your Memorial.

Remarks by Major Champain on the Bombay Memorial.
Letter from Major Champain, dated 18th December.
Letter from Colonel Goldsmid, dated 2nd October, with accompaniments.

I have the honour to be,

Gentlemen,

Your most obedient Servant,

W. F. MARRIOTT, Colonel,
Secretary to Government.

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*Remarks on the Memorial of certain Merchants and others in Bombay, on the subject of the Red Sea Telegraph Scheme, dated Bombay, 14th December* 1867.

The Memorialists observe that "the only remedy for the evils complained of in reference to the present line of Telegraph is to adopt a route which will have the incalculable advantage of connecting India and England by a complete line of telegraphic communication free from the accidents and dangers of foreign interference and with the entire management and direction in English hands."

They then proceed to urge that H. M.'s Government should grant a guarantee of 5 per cent. on the requisite capital in the same liberal way which has been adopted in reference to the construction of Indian Railways. At the same time the Memorialists disclaim all wish or intention of supporting any particular Company or Scheme, so that I am not quite able to understand the grounds on which they come to the conclusion that in affording this guarantee "the pecuniary risk undertaken by Government would in a short time prove altogether nominal."

The Red Sea Company in connection with the Telegraph Construction and Maintenance Company not only asks for this guarantee of 5 cent., but stipulates in addition that the present Persian Gulf Cable should be made over to its care, undertaking in return to relieve the Government from its former unfortunate guarantee of the original Red Sea Cable, which involves, I think, a yearly payment of £36,000.

The cost of the new Cable from Suez to India is estimated at about one million sterling.

The simple question of a fresh guarantee is one that I will leave for the present. As will be gathered from my remarks further on I believe that by granting it Government will be heavy losers. But if they not only do so, but also hand over the Persian Gulf Cable to the same Company, I fear that the prospect of securing a good line between England and India will be completely destroyed.

The two routes *viâ* the Red Sea and *viâ* the Persian Gulf are from end to end entirely distinct from, and naturally opposed to one another. If one succeeds, the other must more or less fail: and to place both in the hands of one company will, I cannot but think, be a very serious and almost irreparable mistake.

Let the Red Sea line work on its own merits against that *viâ* the Persian Gulf, and I believe the latter will prove the better in the long run.

The former, as now proposed, appears to me to possess scarcely one advantage over the existing line, while on the other hand it has many weak points from which the latter is exempt.

The new Line is to pass through France, Italy, Sicily, the Malta-Alexandria Cable, Egypt, and the Red Sea.

I doubt whether the French Government will devote special wires for this scheme, but at any rate I will assert without fear of contradiction that this portion of the line will *never* be "placed in English hands."

Italy, the entire length of which has to be traversed, is for many reasons which will suggest themselves, not a very good country to which to trust in an undertaking of this nature.

Then comes the submarine line to Malta, and then the Malta-Alexandria cable. This cable is in a very precarious condition, is continually breaking down, and if the line is to be as good as our own, another cable at a very great expense must assuredly be laid.

The land telegraph across Egypt might easily be managed; but when projectors talk of a line being "under English direction and control," "reliable in time of war" &c. &c., it should not be forgotten that this "direction and control" will, as regards a great portion of the Red Sea route, be very limited if more than nominal, and that in time of war communication through Egypt could be prevented by any power that chose to bribe an Arab or Egyptian.

The Red Sea cable must cost a million. The first cable failed utterly, and though I take it for granted that English Engineers would now succeed in laying one, yet I am sure that in such an intricate sea and on such a cruel bottom breaks would be constantly occurring and repairs would be difficult and costly to effect.

In the Persian Gulf, where the bottom is as a rule excellent, accidents to the cable are nearly unknown; but outside where the line rests on a rocky bed in shoal water it has parted 7 or 8 times.

I regret that I cannot now refer to the prospectus drawn up by the Red Sea Company; but, if I remember rightly, they promise themselves thrice the present traffic at £5 a message.

The Indian Government has already consented to reduce the tariff by the Persian Gulf cable so as to alter the present charge of £5 to £3 10*s*., and earnest representations have just been submitted by the French Administration which, if complied with, will lower the entire charge to less than £3.

I believe that a costly subsmarine line like that contemplated by the Red Sea Company, to be started purely as a commercial speculation, could scarcely pay its expenses at £3 per message.

Briefly, I see no reason why it should work better than the Persian Gulf line, and I do see reasons why the breaks and interruptions should be more frequent.

I am not myself convinced that the management of a long line of Telegraph passing through many countries must necessarily be perfect simply because it lay in the hands of an English Company. Our Telegraphs at home are by no means free from mismanagement, and cannot in many repects compare with those of Prussia, France, and some other countries in Europe. The great system of European telegraphic communication is conducted in accordance with rules

framed at International Congresses held once every three years, at which the representatives of various Governments appear, but those of Companies are not admitted as members, and no doubt this rule has been in some degree unfavourable to the development of telegraphic communication between England and the Continent.

I am clearly of opinion that it would be an immense advantage to obtain a line between India and England in the hands of one administration or, failing that, in the hands of as few as possible. The present line *vid* Turkey has not been successful partly because it passes through so many different countries and partly because of delays caused by "blocks" which can only be avoided by the setting apart of "through" wires for *Indian messages only*. Until quite recently we have not perhaps been sufficiently alive to this want, and naturally enough Foreign Administrations have been loath to make exceptional arrangements for our traffic. During the past year we have obtained great concessions from the Continental Authorities, many of which however will not come into operation till the 1st January 1868, but I trust that when the special wires are set apart from end to end, as is promised by Convention, from the 1st proximo, the improvement in the working will be apparent.

I will venture to add a few lines on the subject of a proposed route which will, I think, present advantages superior to those offered by the Red Sea line, and which entails no large expenditure, and requires no sort of pecuniary guarantee from the Government. I have already written very fully on this subject to the India Office, and possibly my letters may have been forwarded to the Government of Bombay.

The well-known English firm of Siemens and Halske have lately received extraordinary concessions from Prussia and Russia, and if Persia can be prevailed upon to grant them similar advantages between Julfa and Teheran, we shall very shortly have a *special double line* of the best description extending from London to Teheran, and absolutely under control of an English company.

From Teheran to Kurrachee ought to be easily made trustworthy, and in fact at present I think there is not much to complain of as regards that link.

A great deal may be said in favour of a line of telegraph from London through Prussia, Russia, the Caucasus and Persia to Bushire, a line which would in truth be in English hands from end to end, and which is now actually in existence although in want of organization and sundry modifications.

Of course in time of war between England and any powerful continental foe this Telegraph would fail, but so would fail with almost equal certainty a line through France, Italy and Egypt. In fact there are good grounds for believing that no submarine cable even would be safe were it really worth while to destroy it.

It is perhaps unnecessary to point out that the pecuniary risk of guaranteeing a cable far exceeds that which would be incurred in the case of a Railway costing a like amount, unless the Company would be content with a guarantee of profits so long only as the cable should be in a state of efficiency. I doubt whether they could raise the required capital on any such terms, and I repeat my conviction that the maintenance of the submarine line under consideration will be a very hazardous and costly experiment. Such an experiment might be made by a Government with the idea that no expense should be spared in securing a line which might in case of a sudden crisis prove invaluable, when the certain transmission of one message might be worth an empire's ransom; but I cannot think that this Red Sea scheme can pay as a *mercantile undertaking;* at any rate so long as the rival route remains in working order. If the projectors do not, to some extent, take this view of the case, why do they insist on taking over the Persian Gulf line?

In conclusion I would beg to observe that although I have headed this letter "Remarks on the Memorial submitted by the Merchants of Bombay," I have done so solely because the Memorial happened to be the paper forwarded to me for report.

My remarks, as will have been seen, apply almost entirely to the Red Sea cable scheme as explained to me in London by the promoters. I cannot but share the dissatisfaction with the existing state of things as expressed by the Memorialists, but at the same time I feel bound to point out the objections to what I firmly believe to be a fallacious project of reform.

J. U. CHAMPAIN,
Assistant Director-in-Chief, Indo-European Telegraph.

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No. 236.

From THE ASSISTANT DIRECTOR-IN-CHIEF,
Indo-European Telegraph.

To Colonel MARRIOTT, C.S.I., &c., &c., &c.,
Secretary to the Government of Bombay.

*Bombay,* 18*th December* 1867.

SIR,—I have the honour to acknowledge the receipt of correspondence regarding the proposal to connect Bombay with Aden by Submarine Telegraph, accompanied by your Memorandum No. 248, calling for my observations on the subject.

I have no doubt that Colonel Goldsmid's report on this proposal will reach you very shortly. His acquaintance with the geographical and political state of the Coast of Mekran, and of the South Eastern frontiers of Persia and her dependencies, will enable him to form an accurate judgment on some points about which I know little; but I venture to submit, at your request, a few remarks on Mr. Walton's two projects, viz., the extension of the land lines from Gwadur to Bunder Abbass; and 2nd, the establishment of a Telegraph between Bombay and Aden.

The construction of the aerial line between Ispahan and Bunder Abbass as planned by Colonel Goldsmid has been for the present at least postponed: and I cannot believe that the trade of Bunder Abbass itself is sufficient to call for the continuation of the Mekran Land Lines beyond Cape Jask. I do not even recognise the necessity for extending them further than Gwadur, unless the cable be laid as proposed *viâ* Muscat to Aden; in which case our single Persian Gulf conductor might possibly prove unequal to the call made on it by the combined traffic from Europe and from the Red Sea.

Supposing that the proposed Aden Submarine line be laid, it seems to me that the Persian Gulf cable should be brought to land at Jask, avoiding Mussendom and Angaum altogether, and thus concentrating 3 offices at one spot. That for the Persian Gulf cable (now at Mussendom), that for the Muscat-Aden cable, and that for the land line to Gwadur and Kurrachee.

Mr. Walton's estimate of 6,23,000 Rupees for extension of the Mekran Land Lines would thus be reduced to about 4,00,000.

If, on the other hand, this Aden Submarine line is not to be laid, the maintenance of a station near the mouth of the Persian Gulf might be found unnecessary, and a considerable saving effected in the present working charges of the Indo-European cable. But I would on no account suffer the cable to be laid underground across the Mussendom Isthmus, and left to the mercy of the Arabs of those parts.

Referring, secondly, to the proposals for laying a Submarine line between Bombay and Aden, I am decidedly of opinion that it would be better in every way to adopt the route, recommended by Mr. Walton and Lieutenant Stiffe, *viâ* Jask, Muscat, and the Arabian Coast. The arguments against a direct deep sea line are insurmountable; but I should be inclined to have as few stations as possible between Muscat and Aden, and would rather work through a long length of cable with non-recording instruments, than attempt to establish and maintain stations for European signallers on such a miserable coast.

I confess that I know little about it, but we are giving up Mussendom as uninhabitable, I can certainly say that Muscat is almost

intolerable, and I believe that it would be excessively difficult to find places along the southern shores of Arabia, which we should not soon wish to abandon just as we are abandoning Mussendom.

I have in my Memorandum of the 14th instant to your address stated, and given reasons for, my impression that the Red Sea Cable Company's scheme could not prove remunerative; and the receipts of a cable from Jask terminating at Aden or Perim would hardly cover its monthly working expenses. To submerge a length of two thousand* miles in these seas would cost from £ 600,000 to £ 700,000

* Aden to Jask .....1,402
Kurrachee, Bombay, if included. 520
1,922
Without slack.

Joined with Suez by land lines such a cable might keep open the communication between India and Europe when the Persian Gulf route is out of order; and viewed as an imperial undertaking, the capital to be sunk might not be considered out of proportion to the advantages to be anticipated.

I have, &c.,

J. U. CHAMPAIN,

Assistant Director-in-Chief, Indo-European Telegraph.

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No. 132 of 1867.

From the Director-in-Chief,

Indo-European Telegraph,

To the Secretary to Government, Bombay.

*London, 2nd October* 1867.

Sir,—With reference to the Government Resolution* accompanying copy of letter of the Government of India, No. 2614 dated 22nd July last, I have the honour to state that the probable cost of the land line of Telegraph, from Gwadur to Bunder Abbass, and again from Bunder Abbass to Ispahan, was estimated in my letter No. 144 of 29th August 1866 to the Under-Secretary of State, of which a copy was transmitted to the Government of Bombay with my No. 166 of 19th September 1866. Estimating alone the section now under consideration, or from Gwadur to a point midway between Jask and Bunder Abbass, say 500 miles, the proportion would be about Rupees 400,000.

* No. 102 dated 21st August 1867.

(Or £ 40,000).

The probable cost of maintenance yearly, may be gathered from

my letter No. 111 of 19th August 1867, to the Under-Secretary of State, of which a copy is enclosed.

With regard to the suggestion that "a line by the Red Sea might be connected with the head of the Persian Gulf running through a portion" of Arabia, I would remark that, if the question be one of connecting Suez and Busrah, that is, the telegraph station at the head of the Red Sea, and any prolongation of that telegraph, with the "head of the Persian Gulf," that end is already achieved. Messages are now sent from Suez to Alexandria, Alexandria to Diarbekir, and Diarbekir to Baghdad, Busrah and Fao, without break or interruption; and a special treaty with the Ottoman Government might readily ensure the utilization of that line for occasions and emergencies, if not for ordinary telegraphic communication.

If my own opinion were asked on the best means of connecting Aden with Kurrachee by reverting to the old Submarine line of Telegraph along the coast of Arabia, I should suggest that, if the line were restored from Aden to the Kooria Mooria islands, there would be no necessity of crossing the large tract of ocean to Kurrachee. A prolongation to Muscat and Gwadur, (or Chonbar) or Ras-el-Had and Gwadur, would complete the link equally well. Aden would in such case be in telegraphic communication with England as well as Bombay, and with Suez also if necessary, *viâ* Baghdad, Diarbekir, and the Syrian Coast.

I have, &c.,
F. J. GOLDSMID, Lieut.-Colonel,
Director-in-Chief, Indo-European Telegraph.

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No. 111 OF 1867.

Fom Lieutenant-Colonel F. J. GOLDSMID,
Director-in-Chief, Indo-European Telegraph,

TO THE UNDER-SECRETARY OF STATE FOR INDIA,
India Office, London.

*London, 19th August* 1867.

SIR,—With reference to the instructions under which I left England on the 18th October last year, and the Bombay Government Resolution No. 112 of the 17th May last, I have the honour to submit, for the consideration of the Right Honorable the Secretary of State, the accompanying Memorandum.

Should the views now set forth be approved, I would respectfully suggest that Her Majesty's Foreign Office be moved to instruct Mr. Alison to renew the negotiations for the Land Line of Telegraph on the Shah's return from Meshed, with authority to offer the money grant as proposed up to Tomans 3,000 per annum.

Her Majesty's Minister at Teheran, as also the Secretary of Legation, Mr. Thomson, are now well aware of the objects and details of the intended Convention These have moreover been fully stated by myself to the Persian Minister for Foreign Affairs. My presence at Teheran could not, that I am aware, be necessary to complete the diplomatic discussion in Persia. But I hold myself in readiness to proceed immediately to Bombay and the Coast of Mekran to arrange matters with the Beluch Chiefs in case Mr. Alison notify a favourable reply to the renewal of negotiations.

I have, &c.,

F. J. GOLDSMID, Lieut.-Colonel,
Director-in-Chief.

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No. 110 OF 1867.

*London, 19th August* 1867.

MEMORANDUM.

On the 15th March last, I reported to the Under-Secretary of State, the result of negotiations which I had been instructed to open with the Persian Government for the Land extension of the Telegraph. This report has, I find, been submitted to the Right Honourable the Secretary of State by the Government of Bombay with further details, and an expression of opinion as to further proceedings by His Excellency the Governor and one of the Members of Council.

The last Resolution of the Government of Bombay refers the question to the Political Department for consideration "as to how far, in respect of political relations, it is practicable to carry the land line westward along the coast from Gwadur without consulting the Persian Government."

This consideration is a very important one, and will no doubt soon meet with attention. In the meanwhile, it will perhaps not be thought unadvisable to put into Mr. Alison's hands a proposition which, if acceptable to Persia, may obviate the necessity of adopting any course affecting or supposed to affect her interests without her consent and participation. The proposition is as follows :—

We pay, now, according to official statement for the year 1866, the sum of Rupees 42,731 per annum for maintenance of our land Line of Telegraph from Kurrachee to Gwadur. Of this Rs. 21,000 is subsidy to Chiefs.

It might be reckoned that at least a similar sum would be required, were we to construct a Land Line, as proposed, from Gwadur westward, to a point between Jask and Bunder Abbass.

At the present exchange 10,000 Tomans is the equivalent of Rs. 40,000. Half of this might, I think, be set aside for Persian territory, and half for territory in which Persia has no acknowledged jurisdiction.

A sum of 3,000 Tomans (12,000 Rs.) yearly to Persia to allow us to treat with the Sheik of Bunder Abbass, and any other Chiefs on the Coast of Beluchistan over whom she may assert control, would, it is believed, be acceptable; and while we, on our part, give a guarantee of non-interference with political pretensions, we might reasonably expect a similar guarantee, in return of non-interference in telegraph arrangements, so far as the whole Coast Line is concerned.

Roughly the whole 40,000 Rupees would be thus divided :—

*Vide* Despatch No. 17 of 11th March 1867, to Government of Bombay.

| | |
|---|---|
| 2,500 | Subsidy to Khelat. |
| 2,500 | do. to the Chiefs of Bahn. |
| 5,000 | do. to Mir Abdullah. |
| 10,000 | for actual maintenance and repairs. |
| 20,000 | |
| 12,000 | Subsidy to Persia for Bunder Abbass, &c. |
| 8,000 | for actual maintenance and repairs. |
| Rs. 40,000 | Total. |

It would perhaps be advisable to limit the whole grant to Rupees 50,000, thus allowing a margin for Muscat with reference to Chonbar and contingencies.

F. J. GOLDSMID, Lieut.-Colonel,
Director-in-Chief, Indo-European Telegraph.

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INDO-EUROPEAN TELEGRAPH DEPARTMENT.

*Bombay Castle, 29th February* 1868.

RESOLUTION.—Lieut.-Colonel Goldsmid having failed in negotiations for a Land line (alternative of the Persian Gulf cable) from Gwadur to join the Main Persian lines by Ispahan, suggested, in his letter No. 17, of 11th March 1867, the continuation of the Coast line from Gwadur so far as practicable, in order at least to reduce the length of Submarine cable on which the maintenance of telegraphic communication with Europe wholly depends.

2. In communicating this to the Government of India, His Excellency the Governor proposed an alternative Submarine line *viâ* Aden to join the Egyptian Red Sea Coast line at some port in the Red Sea.

3. The Government of India, in reply, enquired the cost of the Coast line extension from Gwadur ; and agreing with this Government in thinking it extremely desirable to take early steps for acquiring the necessary information preparatory to laying a line either from Bombay or Kurrachee to Aden, requested this Government to submit, at an early date, its views as to the best means of acquiring the information and an estimate of the probable cost of the line.

4. In rejoinder, the letter from this Government, No. 241 of 19th November, submitted reports by Mr. Walton, the Director of the the Submarine and Mekram Coast Lines, and by Lieutenant Stiffe, the Engineer of the Submarine cable, showing the estimated cost of the Coast line extension to Bunder Abbass to be 6,23,000 Rs. (which would be reduced to about 4 lakhs if the extension end at Jask as now seems probable) and also showing reasons for preferring a line from Aden by the Arabian Coast to Jask, to one direct to Kurrachee or to Bombay. The Government of India was at the same time informed that the survey of the proposed line and the preparation of the estimates would be undertaken so soon as the completion of the transfer of the Mussendom station to Henjam and other necessary facilities will permit.

5. The Government has now for consideration five other papers on the subject:—

*1st.*—A Memorial by certain Merchants, Bankers, and others in Bombay, representing the need for 'connecting India and England by a complete line of telegraphic communication free from the accidents and dangers of foreign interference, and with the entire management and direction placed in English hands,' and further representing that such a scheme 'would be best carried out under the auspices of a well organized English Company,' and recommending that a Government Guarantee be given to enable such a Company to obtain the needful capital.

*2nd.*—Remarks by Major Champain on the Memorial.

*3rd.*—Remarks by Major Champain on the correspondence with Mr. Walton on the subjects under notice.

*4th.*—Remarks by Lieut.-Colonel Goldsmid on the same subjects.

*5th.*—A Memorial by the Kurrachee Chamber of Commerce on the same subject.

6. As respects the first two papers, Major Champain's arguments appear conclusive against a Government Guarantee to a private Company for a Red Sea Line. He sugggests that, even in the Government point of view, a line through Prussia, Russia, the Caucasus and Persia to Bushire, would offer equal advantages as an alternative resource. But this it clearly would not do in relation both to the sole dependance on the Persian Gulf cable and to political considerations in case of European War; and apparently the conclusion of his later letter on the same subject (the third paper noted above) is his more deliberate opinion, viz. that a cable from Jask to Aden or Perim 'joined with Suez by land lines might keep open the communication between India and Europe when the Persian Gulf route is out of order; and viewed as an imperial undertaking the capital to be sunk might not be considered out of proportion to the advantages to be anticipated.'

7. Colonel Goldsmid's letter may be regarded as concurrent respecting the line which communication with Aden should take although he speaks of carrying the cable from the Arabian Coast to Gwadur.

8. The consideration of these papers confirms the previous conclusion to make the survey of the proposed line and the estimates of cost so soon as the *Amberwitch* shall be free for the work.

9. The Memorial will now be forwarded to the Government of India with copies of the several reports and of this Resolution.

10. Copies of the reports and of this Resolution to be sent to the Bombay and Kurrachee Chambers of Commerce.

W. F. MARRIOTT, Colonel,
Secretary to Government.

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No. 32 OF 1868.

BOMBAY CHAMBER OF COMMERCE,
11*th March* 1868.

The Honorable Colonel W. F. MARRIOTT, C.S.I.,
Secretary to Government, Indo-European Telegraph Department,
Bombay.

SIR,—I have the honour to acknowledge the receipt of your letter No. 27, dated 29th ultimo, informing the Chamber that on that date, the Memorial, on the subject of Direct Telegraphic Communication between England and India *vid* the Red Sea, addressed to His Excellency the Viceroy and Governor General, forwarded with my letter of the 7th December last, had been transmitted.

I am directed by the Committee of Management respectfully to express their regret at the delay that has taken place in reference to this matter, and to inquire whether there were any special reasons for detaining a Memorial, which, when handed to the Government of Bombay, it was naturally supposed would have been transmitted to the Government of India with all convenient despatch.

I have the honour to be, &c.

JAMES TAYLOR,
Secretary.

No. 38 OF 1868.

INDO-EUROPEAN TELEGRAPH DEPARTMENT.

*Bombay Castle, 17th March* 1868.

From Colonel W. F. MARRIOT,
Secretary to Government,

TO THE SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

SIR,—I have the honour to acknowledge the receipt of your letter of the 11th instant, noticing the delay which took place in forwarding to the Government of India the Memorial which accompanied your letter of December 7th.

I am desired to explain that there was a special reason for a short detention in order that the opinion of the Bombay Government might accompany the Memorial. The subject had been referred to this Government by the Government of India, who, it was known, would require the opinion of this Government before taking action on the Memorial.

Had the considerable delay which occurred been foreseen, the Memorial would have been forwarded at once, but several circumstances, of which the principal were an extraordinary pressure of business in connection with the Abyssinian Expedition and the visit of His Excellency the Governor to the province of Sind, caused unexpected hindrance and a consequent delay which His Excellency the Governor in Council desires me to say he very much regrets.

I have the honour to be,

Sir,

Your most obedient Servant,

W. F. MARRIOTT, Colonel,
Secretary to Government.

No. 51 OF 1868.

INDO-EUROPEAN TELEGRAPH DEPARTMENT.

*Bombay Castle, 31st March* 1868.

From THE DEPUTY SECRETARY TO GOVERNMENT,

To THE CHAMBER OF COMMERCE,

Bombay.

GENTLEMEN,—Referring to this Office letter No. 27, dated 29th February 1868, I am directed to transmit the accompanying copy of a letter from the Secretary to the Government of India, No. 268 of 17th March 1868, in reply to your Memorial regarding the establishment of a second line of Electric Telegraph between England and India *viâ* the Red Sea.

I have the honour to be,

Gentlemen,

Your most obedient Servant,

J. A. M. MACDONALD, Major,
Deputy Secretary to Government.

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No. 51.

INDO-EUROPEAN TELEGRAPH DEPARTMENT.

*Bombay Castle, 31st March* 1868.

Letter from the Secretary to the Government of India, No. 268, dated 17th March 1868.

SIR,—Having laid before the Governor General in Council your letter No. 27, dated 29th ultimo, together with the two Memorials therewith forwarded regarding the establishment of a second line of Electric Telegraph between England and India *viâ* the Red Sea, I am directed to state, for the information of the Bombay Government, and for communication to the Memorialists, that this important subject has received, and is still receiving, the best attention of His

Excellency in Council, and that a despatch on the general bearing of the whole matter has been addressed to H. M.'s Secretary of State for India.

2. I am, however, to add that the Memorials in question will be transmitted to the Secretary of State.

I have, &c.,

R. TEMPLE,
Secretary to the Government of India.

RESOLUTION.—Copy to be communicated to the Chamber of Commerce.

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No. 104 OF 1868.

INDO-EUROPEAN TELEGRAPH DEPARTMENT.

*Bombay Castle, 4th July* 1868.

From THE DEPUTY SECRETARY TO GOVERNMENT,

To THE CHAIRMAN CHAMBER OF COMMERCE,
Bombay.

SIR,—Referring to this Office letter No. 51 dated 31st March 1868, I am directed to communicate for your information the accompanying copy of a despatch from the Secretary of State for India, No. 20 dated 30th April 1868, to the Government of India, in reply to your Memorial praying for the support of Government to a project for a Telegraphic Line *vid* the Red Sea.

I have the honour to be,

Sir,

Your most obedient Servant,

J. A. M. MACDONALD, Major,
Deputy Secretary to Government.

No. 20.

INDIA OFFICE,

*London, the 30th April* 1868.

*Telegraph.*

TO HIS EXCELLENCY THE RIGHT HONORABLE

THE GOVERNOR GENERAL OF INDIA IN COUNCIL.

SIR,—I have had under consideration in Council your Excellency's Despatch No. 8 of 15th February last, and the Memorial therewith transmitted, urging the concession of Government assistance to a project for a Telegraphic Line *viâ* Egypt and Aden to Bombay.

2. Without entering into any other considerations involved in this subject, it may be sufficient to point out that, if any further expense is to be incurred by the State, the amount ought to be divided between the Imperial and Indian Exchequers, and that there is no present probability of pecuniary aid, in the shape either of a subvention or a guarantee, being given by the British Exchequer.

I have, &c.

STAFFORD H. NORTHCOTE.

# APPENDIX B.

## THE WORKING OF THE INDO-EUROPEAN TELEGRAPH.

No. 54 of 1868.

*Bombay, 30th April* 1868.

Colonel D. G. Robinson, R. E.,
Director General of Government Telegraphs,
Calcutta.

Sir,—I am directed by the Committee of Management of the Chamber of Commerce to call your attention to the following points, which are of the greatest importance to the mercantile community in reference to messages transmitted by the Indo-European Telegraph.

It has been stated in the newspapers that from to-morrow the first of May telegraphic messages sent by the Indo-European Telegraph will be subject to the rules of the Paris convention, and consequently that all messages in cypher will have to be registered.

Considerable difference of opinion exists as to the meaning of the term "cypher," and the telegraph officials here are unable to clear the matter up.

Does the compulsory registration refer only to messages composed of figures or letters, as for instance "1 B, 23 E, 6,998 E, &c." or does it include messages composed of plain English words of hidden meaning, as for instance "opaque, amalgamation, amygdaline, strapper, stronghold, &c." ?

In Sir Stafford Northcote's letter of 2nd August 1867 to the Under-Secretary of State, it is mentioned that the Secretary for India originally objected to the article in the Paris Convention enforcing the compulsory registration of cypher messages "unless by cypher messages be meant messages in figures or secret letters."

The term "cypher" is not mentioned in article 25 of the Paris Convention, but only the words "secret letters or figures," from which it may be inferred that Sir Stafford Northcote's objection was accepted, and that the compulsory registration of messages does not apply to telegrams composed of words of hidden meaning.

As this is a very pressing matter, and it is of the utmost importance to the mercantile community, nine-tenths of whose messages are composed of words of hidden meaning, that all doubts as to what messages are subject to the rule enforcing compulsory registration should be cleared up, I shall be obliged by a reply at your earliest convenience.

I have the honour to be,

Sir,

Your most obedient Servant,

JAMES TAYLOR,

Secretary.

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No. 831.

From Colonel D. G. ROBINSON, R. E.,
Director General of Telegraphs in India,

To JAMES TAYLOR, Esq.,
Secretary Bombay Chamber of Commerce.

*Dated Calcutta, the 8th May* 1868.

SIR,—In reply to your letter of the 30th ultimo received this morning, I have the honour to inform you that no further intimation has been received from the Secretary of State relative to the adhesion of the British Government, on behalf of its Indian possessions, to the Paris Convention.

When the intimation is received, some short time must elapse to allow due notice of the fact being circulated to all concerned, meanwhile I will endeavour to obtain from Paris a distinct definition of the position its Code messages occupy.

As you observe the articles of the Paris Convention are not clear as to the liability of code messages to compulsory registration. The 4th paragraph of article 9 states that private messages may be composed of figures or secret letters; paragraph 6 of the same article states that messages in ordinary language can contain no unusual combinations or constructions; again in article 25 registration is compulsory for messages composed of figures or secret letters and is silent as to the compulsory registration of messages containing words of secret meaning, whilst paragraph 3, article 34, in describing how the counting of cypher messages is to be made, states to obtain the full number of words in the message, the address, signature and any part of the contents in ordinary language must be added to the above, counting according to the rules of the preceding article. The question is, can secret words standing together without any apparent meaning be construed as ordinary language.

There is certainly one very strong reason why "code" should pay more than ordinary messages, because they require twice as much labour and time for their dispatch as messages in ordinary colloquial language. The signallers repeat every code word at least once to protect themselves against fines for mistakes, the sequence of words giving no clue to their accuracy.

With reference to your 5th paragraph, I regret that as there is no copy in this office of the correspondence you allude to, I am unable to state how far you may be right, but having assisted at Paris in negociating India's admission to the Paris Convention, I am not altogether unacquainted with the subject, and am of opinion that no such concession was made.

I have the honour to be,

Sir,

Your most obedient Servant,

D. G. ROBINSON, Colonel, R.E.,

Director General of Telegraphs in India.

*P.S.*—I observe that it is mentioned in the *Times of India* that the rate of an European telegram is reduced to £4. The reduction will be to something less than £3, probably £2-15.

No. 143 OF 1868.

BOMBAY CHAMBER OF COMMERCE,
*28th September* 1868.

TO THE ACTING CHIEF SECRETARY TO GOVERNMENT,

Bombay.

SIR,—I am directed by the Committee of Management of the Chamber of Commerce to forward herewith for the information of Government an analysis of the statements of fifteen members of the Chamber, regarding their experience of the working of the Indo-European Telegraph during the last nine months.

The evidence now submitted is only that of a third of the members of the Chamber, and it has hitherto been held over till the reports from the rest of the members are received.

As however there may be yet further delay before further evidence is handed in, the Committee consider it desirable that the substance of the reports already submitted should be communicated to Government, and I am respectfully to request His Excellency the Right Honourable the Governor in Council will do the Committee the favour to submit the same to the Director General of the Indo-European Telegraph that he may take such steps as may seem necessary to remedy the evils complained of. Of late messages have been coming from Europe with a rapidity and regularity altogether unusual, and there has not been reason for complaint on this head; but the other great source of complaint, mutilation or wrong rendering of words in the Telegrams still continues, and is a cause of serious loss and inconvenience as may be seen from the statements herewith annexed. All the messages in which wrong rendering and mutilation are complained of are in the English language—though the telegrams consist for the most part of words of concealed meaning.

I have the honour to be,

Sir,

Your most obedient servant,

JAMES TAYLOR,
Secretary.

## MEMORANDUM.

Substance of reports made by Members of the Bombay Chamber of Commerce to the Committee of Management regarding the working of the Indo-European Telegraph during the last nine months.

Firm No. 1 Report:—That in 114 telegrams received from England the average time in transmission for all was 7 days; though not a few were 12, 15, 16, 17, 18, 20, and even 22 days in coming to hand. Out of the 114 telegrams, 72 were mutilated by words wrongly rendered and otherwise.

Firm No. 2 Report as follows:—Out of about seventy telegrams we have received from Europe since the beginning of January not one has reached us without being mutilated more or less. The irregularity in the transmission of messages has been and is quite extravagant, and we frequently receive telegrams of an older date several days after we have been in possession of more recent telegrams, *i.e.* we have frequently received cancelling orders some time before receiving the orders themselves. We have often had single words or pieces of words entirely excised from our telegrams, other long words being cut into two or more parts by the intelligent telegraph clerks to make up the proper number of words. We need hardly point out what careless management all this gives evidence of, and though the remedy appears simple enough, it is probably inapplicable so long as Turkish or Arab clerks are in charge of the telegraph stations. Our own messages sent from Bombay to Europe have not fared much better than the inward despatches; they have all been received in a more or less mutilated condition, and as a rule they have arrived irregularly and after annoying delays. We have on two occasions been put to most serious inconvenience through messages worded in the usual form, used by us for several years previously, being returned to us from Kurrachee, after having been detained there a fortnight, with the remark that they were not in accordance with the rules of the Brussels Convention. Altogether we consider that the working of the Indo-European line is about as inefficient and unsatisfactory as it can be, whilst the charge for the transmission of messages is excessive.

Firm No. 3 Report:—That in 47 telegrams received within a period of three months the quickest receipt was in 5 days and the longest 21 days—the average 11 days. Every one of these 47 telegrams was wrongly rendered, and in

some cases so many as ten words in twenty. Some of the mistakes prevented the execution of valuable orders for cotton, which could otherwise have been advantageously executed.

Firm No. 4 Report :—That in 11 messages in three months the average time taken was 6½ days, the highest 12, and the lowest 6. Of these messages 4 of them contained words wrongly rendered, one containing a word not in the original message and of a most misleading character.

Firm No. 5 Report:—That of 39 telegrams received in a period of five months the average time taken was 6½ days, and the quickest was received in three days, and the longest in transmission was 15 days. They report that of the number only two were mutilated, the others received in a fair state.

Firm No. 6 Report:—Of twenty telegrams in five months the average was 6 days for each telegram, the quickest was received in 2 days, the longest in receipt 15. No complaint as to the state in which they were received.

Firm No. 7 Report :—That of 33 telegrams received in a period of five months, the average was 7 days for each telegram ; the shortest time taken was 2 days, and the longest 19. No complaint of serious inaccuracy in the rendering of the telegrams.

Firm No. 8 Report:—That of 16 telegrams in a period of five months, the average time taken was 6¼ days, the time ranging from 2 to 12 days.

Firm No. 9 Report:—That of 10 telegrams received in a period of two and a half months the shortest time was 3 days and the longest 9 days; of these 10 telegrams were imperfectly rendered, the others were correct.

Firm No. 10 Report:—That of 11 telegrams received in a period of four months, the shortest date was 2 days, the longest 29 days, the average being 9¾ days. There were mistakes of more or less importance in every telegram.

Firm No. 11 Report:—That of 21 telegrams received in a period of six months, the quickest receipt was 2½ days, the longest 17½ days, two of the telegrams were mutilated, the others correct.

Firm No. 12 Report:—That of 29 telegrams received in a period of six months, the quickest receipt was in 2 days, and the longest 14 days, the average being 6¼ days. No complaint as to the state in which they were received.

Firm No. 13 Report:—That of 59 telegrams received in a period of five months, the quickest receipt was in two cases 24 hours, the longest 21 days, and the average on the whole 9 days. No complaint made as to the state in which they were received.

Firm No. 14 Report:—That of 33 telegrams received in a period of four months the quickest was 8 days, and the longest 21, the average being 12¼ days to each telegram. This firm complains of the mutilation of their messages, and calls attention to "the great irregularity in transmission, which is the cause of much later telegrams receiving dispatch on the line, whilst others dating earlier are apparently not at all attended to."

Firm No. 15 Report:—That of 11 telegrams received in a period of two months, the quickest receipt was in 3 days, the longest 14 days, the average being 7 days. No complaint made regarding the state of the telegams.

JAMES TAYLOR,
Secretary.

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No. 140 OF 1868.

BOMBAY CHAMBER OF COMMERCE,
19*th September* 1868.

Colonel D. G. ROBINSON,
Director General of Indian Telegraphs, Simla.

SIR,—In reference to the concluding paragraph of Colonel Goldsmid's letter to the Government of Bombay, dated 7th ultimo, published in a Bombay newspaper of the 16th instant, which states that "on the subject of cypher telegrams, I have addressed Colonel Robinson fully by the present Mail, for his information and that of the commercial public," I am directed by the Committee of Management of this Chamber to request you will be good enough to favour us at your early convenience with a communication explaining the character of the arrangements regarding cypher telegrams, a

definition as to what is meant by cypher telegrams, whether ordinary commercial telegrams, which as a rule I may say are conveyed in words of hidden meaning are to be considered as coming under the denomination of cypher telegrams, and what will be the rate charged for each telegram.

I have the honour to be,

Sir,

Your most obedient Servant,

JAMES TAYLOR,
Secertary.

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No. 90 A.

From Colonel D. G. ROBINSON, R.E.,

Director General of Telegraphs in India,

TO THE SECRETARY BOMBAY CHAMBER OF COMMERCE.

*Dated Camp Murree, 7th October* 1868.

SIR,—Replying to your letter of the 19th ultimo, I have the honour to acquaint you that the rules of the Vienna Convention have not yet been *officially* received by me, and until they are no action can be taken on them. They do not come into force until the 1st January 1869, and between this and then there is ample time to consider and publish them.

The question of a Code message has not been dealt with in a definite and satisfactory manner: According to the rules, they are liable to a double charge, whilst a loophole for escaping it has purposely been left. The whole matter must be carefully considered, and my views be approved by the Government of India, ere I can publish them.

I have the honour to be,

Sir,

Your most obedient Servant,

D. G. ROBINSON, Colonel, R.E.,
Director General.

# APPENDIX C.

## THE INDIAN TELEGRAPH.

No. 2347.

From the Director General of Telegraphs in India,

To the Secretary of the Bombay Chamber of Commerce.

*6th July* 1868.

Sir,—I have recently submitted to the Government of India a proposition for the introduction of a reduced tariff: with respect to the nature of the reduction, it is not yet decided whether to continue 20 words as at present as the unit message with three rates for distance viz. one rupee for 500 hundred miles, 2 rupees for one thousand miles, and 3 rupees for any distance over a thousand miles, or to reduce the number of words in a single message or group to ten and have an uniform charge of 1 Rupee per group for the whole of India. The compulsory registration of code messages will in either case be maintained, on account of the much greater labour and trouble which these messages involve than those written in ordinary language.

I have also suggested the creation of a class of messages to be called express messages, which in consideration of a heavy fine, say ten Rupees for single message, shall have the privilege of precedence over all messages in the Office that have not been deposited more than six hours.

But before proceeding further in the matter I should be glad to receive an expression of the opinion of your Chamber upon it. I believe that in case of life and death, great impending disasters, and other cases of great urgency, it would prove a blessing to the public to have the power of obtaining this precedence, and that the

infliction of a very heavy fee would prevent it being resorted to to such an extent, as to interfere materially with the transmission of ordinary messages.

I have the honour to be,

Sir,

Your obedient Servant,

D. G. ROBINSON, Colonel, R.E.,
Director General of Telegraphs.

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No. 104 OF 1868.

BOMBAY CHAMBER OF COMMERCE,

*22nd July* 1868.

To Colonel D. G. ROBINSON,
Director General of Indian Telegaphs,
Simla.

SIR,—I have the honour to acknowledge the receipt of your letter of 6th instant, requesting the opinion of this Chamber on a proposition for a reduced tariff on Indian telegraph messages, viz. by reducing the number of words in a single message or group to ten, and have an uniform charge of one rupee per group for the whole of India: also for the creation of a scheme of express messages, which on a fine of ten rupees per single message would be permitted to take precedence of all messages that had not been deposited in the Office more than six hours.

In reply I am directed by the Committee of Management to state that the proposition to have a uniform charge of one rupee for a group of ten words for the whole of India is cordially approved by this Chamber, it will be a very great improvement on the present system.

With regard to the proposal for a system of express messages on the plan set forth in your letter, the Committee are inclined to doubt its usefulness in the manner you indicate; if the fine is to be only ten rupees it would have simply the effect of raising all commercial messages to that amount, for the scheme if carried out would be certain to be almost entirely used for commercial purposes, whatever other object may ostensibly be put forward as the intention of Government.

Unless the fine were of an almost prohibitory character, say from fifty to one hundred rupees, making the rule almost a dead letter,

except in comparatively rare circumstances where a fine could not be considered of any account, the Committee have great doubts of the value of the proposal as shadowed forth in your letter under acknowledgment.

I have the honour to be,

Sir,

Your most obedient Servant,

JAMES TAYLOR,

Secretary.

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No. 1638 of 1868.

From H. RIVETT-CARNAC, Esq.,

Cotton Commissioner, Central Provinces and the Berars.

To the SECRETARY to the CHAMBER of COMMERCE,

Bombay.

*Dated Khamgaon, 24th June* 1868.

SIR,—As your Chamber has always taken a great interest in the subject, I do myself the honour to forward copy of a letter No. 1617 dated 17th instant, from the 1st Assistant Resident at Hydrabad, from which you will learn that the advantages of the Government telegraph will soon be extended to the Berars.

2. An officer assisted by a large staff is now, I understand, engaged in putting up the new line between Nassick, Akola and Nagpore, and as the wire is carried along the posts of the Railway Telegraph, the work will, in all probability, be completed in the course of one or two months. As it is, I believe, in contemplation to extend the line to Khamgaon, Akote, and Oomraotee, I hope that, ere the season commenced, all these important cotton markets may be in direct communication by Electric telegraph with Bombay, and that the great inconvenience experienced last season in sending commercial messages to these places may, in future, be avoided.

I have the honour to be,

Sir,

Your most obedient Servant,

H. RIVETT-CARNAC,

Cotton Commissioner, Central Provinces and the Berars.

No. 1647 OF 1868.

To THE COTTON COMMISSIONER,
Central Provinces and Berar, Nagpore.

SIR,—In continuation of my docket No. 3164 dated, 2nd December 1867, on the subject of connecting the great markets in Berar by Electric Telegraph, with Bombay and other seats of trade, I have the honour to inform you that the Resident concurs with you as to the importance of the measure and the desirability of mooting the subject; but as it has been ascertained from the Telegraph Department that the preparation of a Government line from Nagpore to Nassick has been ordered already since this correspondence started, Mr. Saunders considers it now unnecessary to carry the subject further.

I have &c.,

J. J. CORDERY,
1st Assistant Resident.

*Hydrabad Residency, 17th June* 1868.

# APPENDIX D.

## WORKING OF THE COTTON FRAUDS ACT.

No. 25 of 1868.

Bombay Chamber of Commerce,
18*th February* 1868.

To E. W. Ravenscroft, Esq.,
Acting Chief Secretary to Government, Bombay.

Sir,—Adverting to the letter dated 12th August last which, under instructions from the Committee of Management of the Chamber of Commerce, I had the honour to address to Government on the subject of the working of the "Cotton Frauds Act," together with certain suggestions offered in reference to points of importance connected with the improvement of the same.

2. I have now to state that the Committee have observed with equal surprise and regret, the introduction of a Bill into the Council of the Governor General for making Laws and Regulations which proposes to repeal "The Bombay Cotton Frauds Act" and to re-enact the substance of the same in another form, with additional provisions, some of which are, in the opinion of the Chamber, of an objectionable character as an act of the Government of India.

3. Should the proposed Bill become law it will have the effect of taking away all power from the local Government specially concerned with the management of the working of the Act, and of vesting the power in the hands of the Government of India, which cannot possibly use it with advantage to the important interests concerned.

The Committee are at a loss to conceive why an Act, local in its character and in its application, and on which, the fees raised for the expenses connected with its working, are paid by Bombay exporters, should be removed from the control of the Bombay Government

which called the Act into existence and is so specially interested in its being worked with success.

5. It might naturally have been expected that for the unusual course that has been taken by the Government of India in this very important matter weighty reasons would have been assigned; but in the report of the Select Committee of His Excellency the Viceroy's Legislative Council, the Committee much regret to say they are unable to perceive a reason deserving of serious consideration for the course now proposed.

6. The one reason put forward by the Select Committee is "that as it would be difficult to regulate the apportionment of the fees collected at Bombay if some were collected under Bombay Act IX. of 1863, and some under this Bill, we recommend (therefore) that the Bombay Act be repealed from the first April next, and that this Act should take its place."

7. This may be a reason for giving power to the Government of Bombay to pay a portion of the surplus funds (if any) to districts supplying Bombay with Cotton and to which the present Act does not extend, provided the Bombay Government is satisfied that the money is properly earned: but the Committee respectfully submit that it is no reason whatever for repealing the Bombay Act, or for taking all power out of the hands of the Bombay Government, which is really the only Government that has or will have seriously to do with the working of the new Act, even if it should be called a Cotton Frauds Act for all India.

8. The first proposal was to have a Bill that should apply to every province in India where Cotton is grown, but this proposal seems to have broken down as soon as an exposition of the proposal was subjected to public opinion.

9. The amended proposal now is to repeal the Bombay Act and call the new Act an Act for all India, though it is only to be extended to the Berars and Central Provinces in addition to the Bombay Presidency.

10. But no case that the Committee are aware of has ever been made out for the application of the Bombay Cotton Frauds Act to those provinces.

11. The Government of India might with at least equal reason have asked for the application of the Bombay Act to the Punjaub, for Punjaub Cotton has been imported *viâ* Kurrachee before and since the Bombay Act was passed, and it is not and cannot be pretended that

Punjaub cotton is purer in character and freeer from adulteration than the varieties of Cotton received from the Berars and the Central Provinces.

12. It is possible that the reason for the proposal in its present shape, may be the appointment of a Cotton Commissioner for the Berars and Central Provinces, and it may be thought desirable to assist the Commissioner's establishment by grants from a fund so convenient as that raised under the Bombay Act.

13. This may also be the reason for the change in the title and the preamble of the Bill, which instead of a "Cotton Frauds Act," is to be called a "Cotton Improvement Act"—a title which, in the opinion of the Committee, is open to serious objection, because it does not accurately represent the real character of the Bill.

14. The subject, however, of the improvement of the Cotton cultivation of India and the action that should be taken by the Government of India in connection therewith—are matters of too great importance to be disposed of as it were by a side wind; and nothing but disappointment can follow from the unsatisfactory manner in which it is proposed to deal with these questions in the Bill now before His Excellency the Viceroy's Legislative Council.

15. The Committee respectfully but earnestly deprecate a proposal for change in a matter specially and peculiarly within the province of the Government of Bombay—which if carried out as proposed, would be certain to lead to serious inconvenience.

16. I am therefore directed to request that His Excellency the Right Honourable the Governor in Council will do the Committee the favour to transmit a copy of this letter to the Government of India as speedily as possible, as a protest from this Chamber against the Bill now before the Legislative Council of India.

I have the honour to be,

Sir,

Your most obedient servant,

JAMES TAYLOR,
Secretary.

No. 31 OF 1868.

BOMBAY CHAMBER OF COMMERCE,

*Bombay, 9th March* 1868.

TO THE ACTING CHIEF SECRETARY TO GOVERNMENT,
Bombay.

SIR,—With reference to the letter dated 12th August last, which by direction of the Committee of Management of the Chamber of Commerce I had the honour of addressing to Government, on the subject of the working of the Cotton Frauds Act.

I am now instructed respectfully to call the attention of His Excellency the Governor in Council to the fact that the Chamber has not yet been favoured with any reply to that letter, nor has any communication been made by Government to the Chamber in reference to the suggestions which, on a careful consideration of the whole subject, the Committee at the same time deemed it necessary to place before Government in the letter in question.

I have the honour to be,
Sir,
Your most obedient Servant,
JAMES TAYLOR.
Secretary.

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No. 1040 OF 1868.

REVENUE DEPARTMENT.

*Bombay Castle, 16th March* 1868.

TO THE SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

SIR,—I am directed to acknowledge the receipt of your letter dated the 9th instant, and, in reply, to state, for the information of the Chamber, that Act IX. of 1863 and the question of Cotton

generally has been lately engaging much of the attention of His Excellency the Governor in Council. A reference to the Calcutta papers will also show that the members of the Council of His Excellency the Viceroy are also carefully considering the same matter.

I have the honour to be,

Sir,

Your most obedient Servant,

F. R. S. WYLLIE,

*For* Acting Chief Secretary to Government.

# APPENDIX E.

## IMPROVEMENT OF COTTON CULTIVATION.

No. 2530 of 1867.

*Khandeish Collector's Camp, Chaleesgaum, 6th December* 1867.

To James Taylor, Esq.,
Secretary to the Chamber of Commerce, Bombay.

Sir,—I have the honour to forward Samples of this season's Cotton crop, viz. :—

| | | | | |
|---|---|---|---|---|
| No. I.—Cleaned. | Erundole | Talooka. | Grown from Hinguughat seed imported last year by Mr. Ashburner, with assistance of Mr. Rivett-Carnac. |
| ,, II.—Kuppas. | | | |
| ,, III.—Cleaned. | Sowda | do. | |
| ,, IV.—Kuppas. | | | |
| ,, V.—Cleaned. | Jamneir | do. | |
| ,, VI.—Kuppas. | | | |
| ,, VII.—Cleaned. | Nusseerabad | do. | |
| ,, VIII.—Kuppas. | | | |
| ,, IX.—Cleaned. | Loharra | do. | |
| ,, X.—Kuppas. | | | |

XI.—*Sample* of New Orleans grown in irrigated land in the Jamneir Talooka.

XII.—*Sample* of Khandeish Akote from Jamneir.

2. Mr. Ashburner has kept the Chamber so fully informed on the subject of the introduction of the Hingunghat seed into Khandeish that it is needless for me to explain further than that the Samples Nos. I. to X. represent (I have reason to believe with

fairness) the Hingunghat crop of the present year, which extends over about 156,240 acres, and has been introduced to take the place of the improved Khandeish Akote, sample of which is also forwarded, No. XII.

3. I shall be much obliged by the opinion of the Chamber of Commerce on the above samples. The market value of the Hingunghat, compared (1) with the Khandeish Akote, (2) with Berar Hingunghat, and (3) with fair Dhollera, would be also most acceptable.

4. Much will depend upon the verdict of the Chamber on the above samples. If, as I am sanguine enough to anticipate, the result of the examination and test is favourable, the whole of the Cotton producing districts of Khandeish will next year be sown with seed from this crop. If, on the other hand, the Chamber disapprove of the Cotton herewith sent, it will become a very serious question whether it will be necessary to buy up the whole of the seed, and import fresh from Hingunghat.

5. You will observe that I have repeated the plan adopted last year by Mr. Ashburner of forwarding samples from the several Talookas. A comparison of your report of last year with that which I now trust to be favoured with, will probably establish beyond a doubt, the respective capabilities of the several Talookas to produce the Hingunghat crop.

6. I have the honour to solicit the favour of an early reply to this. The Chamber will readily recognize the extreme importance of an early conclusion being arrived at on the points above mentioned, to enable arrangements for the distribution of seed for next season, to be commenced immediately.

7. I have the honour to forward copy of my Cotton Return for this year, and to be,

Sir,

Your most obedient Servant,

G. F. SHEPPARD,
Acting Collector.

No. 198 OF 1867.

BOMBAY CHAMBER OF COMMERCE,
*23rd December* 1867.

To G. F. SHEPPARD, Esq.
Acting Collector, Khandeish.

SIR,—I have the honour to acknowledge the receipt of your letter of the 6th instant, together with the various samples of Cotton therein specified. These have been duly submitted to the members of the Committee for examination, and I have now the pleasure to annex herewith their carefully considered report on each sample.

I am, however, desired to point out that the samples are much too small to report upon when such important interests are affected by the opinion that may be pronounced upon them. Each sample should weigh at least about six pounds, so that a sufficient quantity of the Cotton might be laid before the members to enable them to judge fairly of the average character of the Cotton. The Committee consider it advisable that large samples in accordance with this view should still be forwarded, as it is of the utmost consequence that no mistake should be made in reporting upon what may affect the whole Cotton cultivation of the province of Khandeish. If large samples are sent, they will be returned after examination to the Secretariat or otherwise as you may direct. It would be also desirable when saw-ginned samples are sent, to forward with them churka samples of same description.

These samples of new Cotton are considered greatly superior to new Khandeish Akote Cotton in STAPLE, but none of them are equal to Berar Hingunghat, though two of the samples are nearly so and are in the report called Hingunghat description in consequence, as the Committee are of opinion they would sell under this classification. The others do not come up to this standard, and are therefore named of the Oomrawattee description. The above varieties, (called Hingunghat description and Oomrawuttee description) would fetch a higher price in Liverpool than fair Dhollera. This is the third season of the new Khandeish Akote Cotton, and the Chamber regrets to notice that the present crop, judging from the sample that has been received, is inferior to the Cotton of the first season.

This may have an important bearing on the question of seed; the Committee venture an opinion on the subject with diffidence, but the experience with the new Khandeish Akote would seem to show that this new experiment with Hingunghat Berar seed would require to be continued with fresh seed imported from the district to which it is indigenous.

I am also to state that in the opinion of the Committee it might be advisable to send samples of the ginned Cotton to Liverpool, as it is impossible to tell the value of such here.

The Committee desire me to return you their best acknowledgments for the interesting Cotton return of the culture in Khandeish for the present year, to which your letter under acknowledgment gave cover.

I have the honour to be, &c.,

JAMES TAYLOR,
Secretary.

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REPORT of the BOMBAY CHAMBER OF COMMERCE on samples of Cotton grown in the undermentioned Talookas of the Khandeish Collectorate from Hingunghat seed.

*Bombay, 24th December* 1857.

| | | |
|---|---|---|
| No. 1 Erundole Talooka.. | ..... | Fair to fully fair Oomrawuttee description, dull in colour, rather stained, not much leaf, staple strong and silky but rather short. |
| No. 2 Kuppas of | do. | .....No opinion given on Kuppas. |
| No. 3 Sowda | do. | .....Superior to No. 1, well cleaned, good colour, slightly stained, fair staple, Hingunghat description. |
| No. 4 Kuppas of | do. | .....No opinion given. |
| No. 5 Jamneir | do. | .....Saw-ginned, very good colour, remarkably well cleaned, moderate staple, but much injured in ginning. |
| No. 6 Kuppas of | do. | .....No opinion given. |
| No. 7 Nusseerabad | do. | .....Oomrawuttee description, better than No. 1, good colour, free from stain. |
| No. 8 Kuppas of | do. | .....No opinion given. |

No. 9 Loharra Talooka .....Hingunghat description, superior to No. 3 in colour, but scarcely equal in staple.

No. 10 Kuppas of do. .....No opinion given.

Sample of New Orleans grown in irrigated land.

No. 11 Jamneir Talooka.....Good colour, a little leaf, staple long but very weak, cotton wasty.

No. 12 Khandeish Akote, Jamneir Talooka .....Good colour, clean staple, short and uneven.

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No. 2650 OF 1867.

*Khandeish Collector's Camp, Gooree, 31st December* 1867.

From G. F. SHEPPARD, Esq.,

Acting Collector of Khandeish,

To JAMES TAYLOR, Esq.,

Secretary to Chamber of Commerce, Bombay.

SIR,—I have the honour to acknowledge and to thank you for your letter of the 23rd instant, containing the opinion of the Committee on samples of Hingunghat Cotton grown this year in Khandeish, forwarded by me on the 6th instant.

2. Larger samples than those already sent shall be forwarded hereafter. Meanwhile I venture to solicit the favour of the opinion of the Committee on a 10lb. sample of Cotton grown in Jamneir from seed which Mr. Rivett-Carnac was kind enough to procure last season from Hingunghat. This may be considered an average sample of Khandeish grown Hingunghat, and an *early* expression of the Committee's opinion will be esteemed a great favour, as no time must now be lost in making arrangements for the ensuing season.

I have the honour to be,

Sir,

Your most obedient Servant,

G. F. SHEPPARD,

Acting Collector.

No. 6 of 1868.

Bombay Chamber of Commerce,

*8th January* 1868.

To G. F. Sheppard, Esq.

Acting Collector, Khandeish.

Sir,—I have the honour to acknowledge the receipt of your letter of the 31st ultimo, together with the large sample of Cotton grown in the Jamneir Talooka from Hingunghat seed, supplied last year from Hingunghat through Mr. Rivett-Carnac. The sample has been carefully inspected by the Committee, and I am now to report to you that they find the cotton of Hingunghat description, good colour, very clean, but very slightly stained, free from leaf, staple somewhat irregular, fully equal to the best samples of Hingunghat in colour and cleanliness, but somewhat defective in regularity and silkiness of staple.

I am, however, to state that this is by far the most satisfactory sample that has been submitted to the Committee in connexion with the experiments that have been carried on. They are strongly of opinion that if cotton of equal quality could be grown generally throughout the province of Khandeish, it would not only be the greatest improvement that has yet taken place but would also prove of incalculable benefit to the Cotton trade of Western India.

I have the honor to be,

Sir,

Your most obedient Servant,

JAMES TAYLOR,

Secretary.

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*Dharwar, 4th April* 1868.

To the Secretary Chamber of Commerce,

Bombay.

Dear Sir,—I beg to inform you that I have this day forwarded to your address two samples of Cotton, upon the value and quality of which I shall feel obliged by your obtaining for me the opinion of the Chamber.

On hearing from you I shall send you full particulars with regard to the samples, and as they will be found to embrace matters of considerable importance I shall be glad of their being carefully looked at. I should like to know what their value is per pound as compared with other cotton at present in the market.

I am, Dear Sir,

Yours very truly,

G. F. FORBES,
Cotton Commissioner.

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No. 50 OF 1868.

BOMBAY CHAMBER OF COMMERCE,
*9th April* 1868.

To G. F. FORBES, Esq.,
Cotton Commissioner, Bombay Presidency, Dharwar Districts.

SIR,—I have the honour to acknowledge the receipt of your letter of the 4th instant, together with the two samples of Cotton therein referred to. These samples were this day submitted to a Committee of Merchants at the Office of the Chamber, and after having been subjected to a careful examination by them, I have been directed to report to you as follows:—

Sample No. 1—Colour and cleanliness very good, indeed all that could be desired, but the Cotton is considered wasty. Staple short and weak.

Sample No. 2—In appearance not so bright as No. 1, but as well cleaned. Pretty fair in staple.

I am farther directed to state that in the opinion of the Committee both samples represent Cotton of a very superior character as regards appearance and cleanliness, but that they are deficient in staple, and on that account of uncertain value.

I have the honour to be,

Sir,

Your most obedient Servant,

JAMES TAYLOR,
Secretary.

*Bombay, 9th July* 1868.

To JAMES TAYLOR, Esq.,
Secretary Chamber of Commerce, Bombay.

DEAR SIR,—We herewith beg to send you a sample of Cotton grown in the Island of Bally, which has been forwarded to us by some friends in Java. We shall be much obliged if you will lay it before the Committee and request them to give a report upon its value and quality as compared with Indian Cotton of various kinds.

We are, Dear Sir,
Yours faithfully,
RITCHIE, STEUART & Co.

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No. 102 OF 1868.

BOMBAY CHAMBER OF COMMERCE,
17*th July* 1868.

To Messrs. RITCHIE, STEUART & Co.,
Bombay.

DEAR SIRS,—I have to acknowledge the receipt of your letter of the 9th instant, together with the sample of Cotton grown in the island of Bally (Java) to which it referred, which you desired might be submitted to the Committee of the Chamber for report as to its value and quality as compared with Indian Cotton of various kinds.

Your letter, together with the Cotton sample, were duly submitted to the Committee at their last meeting, and in reply I am directed to report their opinion on the subject as follows:—

> "The sample of Cotton from Java is very similar to that grown in Burmah and exported from Rangoon, and as compared with Indian Cottons would class about equal with Sind. The colour of the sample is a little dull, and slightly stained. The sample does not appear to be very well ginned, it is in staple somewhat coarser than Sind."

I remain, Dear Sirs,
Yours faithfully,
JAMES TAYLOR,
Secretary.

# APPENDIX F.

## COTTON STATISTICS.

No. 1985 OF 1868.

REVENUE DEPARTMENT.

*Bombay Castle, 22nd May* 1868.

TO THE SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

SIR,—I am directed to forward for the information of the Chamber of Commerce, copy of a *Memorandum from the Commissioner in Sind, and of the Return, therewith submitted, of Cotton cultivation in that Province for the year 1867-68 compared with that for 1865-67.

* No. 939, dated 6th May 1868.

I have the honour to be,

Sir,

Your most obedient servant,

M. J. SHAW STEWART,
Acting Chief Secretary to Government.

No. 1983.

*EXTRACT from the Proceedings of the Government of Bombay, in the Revenue Department, dated 22nd May* 1868.

READ the following Memorandum from W. H. Havelock, Esq. Commissioner in Sind, No. 930, dated 6th May 1868.

The accompanying return of Cotton cultivation in the Province of Sind during the year 1867-68, compared with that of the previous year, 1866-67, is submitted to Government, in reference to Resolution No. 2679, dated 19th July last.

2. The figures entered in the return for 1866-67 were estimated, while those brought forward for the same year in the present return are actual, and will account for the difference observable between the two returns. The net decrease in indigenous and exotic cotton is 1,991 acres and 1 goonta, and may be attributed to diminution in the price and demand for cotton.

*Statement*

*Statement of Cotton Cultivation in the Province of Sind during the year*

| Districts. | 1866-67. Extent of land cultivated. Native Cotton. | Foreign Cotton. | Total. | Number of Saw-Gins in use. | Native Cotton. |
|---|---|---|---|---|---|
| *Kurrachee Collectorate.* | Acres. G. A. | Acs. G. A. | Acres. G. A. | | Acres. G. A. |
| Kurrachee | 2 0 0 | 42 19 0 | 44 19 0 | .... | 2 0 0 |
| Dadoo | 660 11 0 | ..... | 660 11 0 | .... | 1,179 36 0 |
| Sehwan | 334 5 0 | 0 20 0 | 334 25 0 | .... | 517 37 0 |
| Majhunda | 66 1 0 | ..... | 66 1 0 | .... | 103 20 0 |
| Kotree | 159 17 0 | ..... | 159 17 0 | .... | 61 16 0 |
| Tatta | 59 33 0 | ..... | 59 33 0 | .... | 75 9 0 |
| Sacra | 0 12 0 | ..... | 0 12 0 | .... | 1 7 0 |
| Ghorabaree | ..... | ..... | ..... | .... | 4 15 0 |
| Meerpoor | 83 38 0 | ..... | 83 38 0 | .... | 83 26 0 |
| Beyla | 43 34 0 | ..... | 43 34 0 | .... | 53 36 0 |
| Jathee | 7 33 0 | ..... | 7 33 0 | .... | 9 16 0 |
| Shahbunder | 0 2 0 | ..... | 0 2 0 | .... | 3 31 0 |
| | 1,417 26 0 | 42 39 0 | 1,460 25 0 | .... | 2,093 3 0 |
| *Hydrabad Collectorate.* | | | | | |
| Hydrabad | 4,145 15 0 | ..... | 4,145 15 0 | 1,802 | 3,739 29 0 |
| Gonee | 841 25 0 | ..... | 841 25 0 | 232 | 447 18 0 |
| Buddeen | 237 10 0 | ..... | 237 10 0 | 89 | 253 12 0 |
| Baga Tanda | 382 8 0 | ..... | 382 8 0 | 115 | 335 0 0 |
| Dehra Mohbut | 2,300 0 0 | ..... | 2,300 0 0 | 400 | 2,217 37 0 |
| Halla | 4,833 30 0 | ..... | 4,833 30 0 | .... | 3,875 36 0 |
| Shahdadpoor | 4,400 15 0 | ..... | 4,400 15 0 | .... | 5,579 27 0 |
| Alyar-ke-Tanda | 5,585 26 0 | ..... | 5,585 26 0 | .... | 5,245 0 0 |
| Meerpoor | 2,794 0 0 | ..... | 2,794 0 0 | .... | 2,881 0 0 |
| Nowshera | 2,496 21 0 | ..... | 2,496 21 0 | 376 | 2,416 6 0 |
| Kundiara | 1,199 33 0 | ..... | 1,199 33 0 | 250 | 1,172 19 0 |
| Mora | 848 19 0 | ..... | 848 19 0 | 89 | 696 34 0 |
| Sukkurund | 528 36 0 | ..... | 528 36 0 | 252 | 1,369 28 0 |
| | 30,593 38 0 | ..... | 30,593 38 0 | 3,605 | 30,230 6 0 |
| *Shikarpoor Collectorate.* | | | | | |
| Larkhana | 5,212 0 0 | 155 0 0 | 5,367 0 0 | .... | 4,947 0 0 |
| Rohree | 6,404 38 6 | 6 31 0 | 6,411 29 0 | .... | 6,340 25 0 |
| Shikarpoor and Sukkur | 3,960 14 0 | ..... | 3,960 14 0 | .... | 3,103 6 0 |
| Mehur | 4,257 33 0 | ..... | 4,257 33 0 | .... | 2,789 33 0 |
| | 19,835 5 0 | 161 31 0 | 19,996 36 0 | .... | 17,180 24 0 |
| *Frontier Districts.* | | | | | |
| Meerpoor | 923 4 0 | ..... | 923 4 0 | 310 | 484 18 0 |
| Kusmore | 314 5 0 | ..... | 314 5 0 | 45 | 918 9 0 |
| Jacobabad | 1,413 3 0 | ..... | 1,413 3 0 | 15 | 715 36 0 |
| | 2,650 12 0 | ..... | 2,650 12 0 | 370 | 2,068 23 0 |
| *Thurr and Parkur.* | | | | | |
| Kippra | 340 0 0 | ..... | 340 0 0 | 55 | 300 0 0 |
| Saughur | 175 0 0 | ..... | 175 0 0 | 60 | 850 0 0 |
| Oomercote | 1,105 26 0 | 5 0 0 | 1,110 26 0 | 40 | 1,556 3 0 |
| Mittee | ..... | ..... | ..... | .... | ..... |
| Deepla | 2 34 0 | ..... | 2 34 0 | 3 | 3 4 0 |
| Nuggur | 2 31 0 | ..... | 2 31 0 | 2 | 15 21 0 |
| Chachra | 7 20 0 | ..... | 7 20 0 | 2 | 4 0 0 |
| | 1,633 31 0 | 5 0 0 | 1,638 31 0 | 162 | 2,728 28 0 |
| Grand Total | 56,130 32 0 | 209 30 0 | 56,340 22 0 | 4,137 | 54,304 4 0 |

1867-68, *contrasted with the extent in the previous year* 1866-67.

| 1867-68. Extent of land cultivated. Foreign Cotton. | Total. | Number of Saw-Gins in use. | Prospect of Season's Crop. Raw Cotton. | Cleaned Cotton. | Remarks. | |
|---|---|---|---|---|---|---|
| Ac. G. A. | Acres. G. A. | | Mds. srs. lbs. | Mds. srs. lbs. | | |
| 35 0 0 | 37 0 0 | .... | 104 0 0 | 26 0 0 | | |
| 1 0 0 | 1,180 30 0 | .... | 1,030 29 0 | 521 35 0 | | |
| .... | 517 37 0 | .... | 1,696 38 0 | 563 12 0 | | |
| .... | 103 20 0 | .... | 297 30 0 | 86 2 0 | | |
| .... | 61 16 0 | .... | 75 28 0 | 17 5 0 | Increase in Native Cotton .. | 678 17 |
| .... | 75 9 0 | .... | 267 20 0 | 79 15 0 | Decrease in Foreign ditto .. | 6 11 |
| .... | 1 7 0 | .... | 0 20 0 | 0 5 0 | | |
| .... | 4 15 0 | .... | 8 20 0 | 2 0 0 | | |
| .... | 83 26 0 | .... | 417 0 0 | 140 15 0 | | |
| .... | 53 36 0 | .... | 79 26 0 | 19 37 0 | | |
| 0 28 0 | 10 4 0 | .... | 26 35 0 | 7 23 0 | | |
| .... | 3 31 0 | .... | 5 35 0 | 1 38 0 | | |
| 36 28 0 | 2,132 31 0 | .... | 4,611 1 0 | 1,446 6 0 | | |
| 0 5 0 | 3,730 34 0 | 1,405 | 29,917 16 0 | 7,479 24 0 | | |
| .... | 447 18 0 | 208 | 1,790 0 0 | 597 0 0 | | |
| .... | 253 12 0 | 87 | 1,244 0 0 | 349 0 0 | | |
| .... | 335 0 0 | 125 | 1,800 0 0 | 450 0 0 | | |
| 1 0 0 | 2,218 37 0 | 585 | 10,170 0 0 | 2,971 0 0 | Decrease in Native Cotton .. | 363 32 |
| 0 32 0 | 3,876 28 0 | 1,041 | 36,337 30 0 | 11,767 18½ 0 | Increase in Foreign ditto .. | 5 2 |
| 3 5 0 | 5,582 32 0 | 1,025 | 23,430 27 0 | 7,175 36 0 | | |
| .... | 5,245 0 0 | 558 | 31,470 0 0 | 10,090 0 0 | | |
| .... | 2,881 0 0 | 387 | 23,049 0 0 | 5,762 0 0 | | |
| .... | 2,416 6 0 | 330 | 9,030 20 0 | 2,238 35 0 | | |
| .... | 1,172 19 0 | 249 | 9,372 0 0 | 2,323 0 0 | | |
| .... | 696 34 0 | 74 | 1,090 16 0 | 577 34 0 | | |
| .... | 1,369 28 0 | 420 | 5,472 0 0 | 1,366 0 0 | | |
| 5 2 0 | 30,235 8 0 | 6,49 | 1,85,081 29 0 | 53,147 27½ 0 | | |
| .... | 4,947 0 0 | .... | 8,001 0 0 | 2,000 30 0 | | |
| 2 24 0 | 6,343 9 0 | .... | 16,767 0 0 | 4,193 0 0 | | |
| 0 21 0 | 3,103 27 0 | .... | 9,310 0 0 | 2,327 12 0 | Decrease in Native Cotton .. | 2,654 21 |
| 0 1 0 | 2,789 34 0 | .... | 8,368 0 0 | 2,091 20 0 | Decrease in Foreign ditto .. | 158 25 |
| 3 6 0 | 17,183 30 0 | .... | 42,446 0 0 | 10,612 22 0 | | |
| .... | 434 18 0 | 340 | ..... | ..... | | |
| 0 21 0 | 918 30 0 | 45 | Not | given ..... | Decrease in Native Cotton .... | 581 29 |
| .... | 715 36 0 | 15 | ..... | ..... | Increase in Foreign ditto .... | 0 21 |
| 0 21 0 | 2,069 4 0 | 400 | ..... | ..... | | |
| .... | 300 0 0 | 70 | 450 0 0 | 150 0 0 | | |
| .... | 850 0 0 | 90 | ..... | 1,700 0 0 | Increase in Native Cotton .. | 1,004 30 |
| .... | 1,556 3 0 | 115 | 1,500 0 0 | 4,500 0 0 | Decrease in Foreign ditto .... | 5 7 |
| .... | ..... | .... | ..... | ..... | | |
| .... | 3 4 0 | 3 | 1 10 0 | 3 20 0 | | |
| .... | 15 21 0 | 2 | ..... | 7 0 0 | | |
| .... | 4 0 0 | 2 | 1 20 0 | 3 20 0 | | |
| .... | 2,728 28 0 | 282 | 1,952 30 0 | 6,364 0 0 | Decrease in Native Cotton.. | 1,826 28 |
| 45 17 0 | 55,349 21 0 | 7,176 | 2,34,091 20 0 | 71,590 15½ 0 | Decrease in Foreign ditto.. | 164 18 |
| | | | | | Net Decrease..... | 1,991 1 |

W. H. HAVELOCK,
Commissioner in Sind.

No. 3508F OF 1868.

REVENUE DEPARTMENT.

*Bombay Castle, 14th September* 1868.

TO THE SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

Memorandum from the Officiating Revenue Commissioner S. D., No. 1827, dated 1st June 1868, with accompaniment.
Resolution of Government No. 3508D., dated 14th September 1868.

SIR,—I am directed by the Right Honourable the Governor in Council to forward herewith for the information of the Chamber of Commerce copies of the papers noted in the margin.

I have the honour to be,

Sir,

Your most obedient Servant,

F. R. S. WYLLIE,

Acting Under-Secretary to Government.

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*Cotton.*

No. 3508D.

REVENUE DEPARTMENT.

*Bombay Castle, 14th September* 1868.

MEMORANDUM from the Officiating Revenue Commissioner S. D., No. 1827, dated 1st June 1868—Submitting, with his observations, the Annual Report by the Cotton Commissioner on the Cotton Crop of the Southern Division for the season of 1867-68.

RESOLUTION.—From this report the Right Honourable the Governor in Council learns that the estimated out-turn of cotton from this Presidency for the year 1867-68 is nearly the same as that for the preceding year, being a little over 1,50,000 candies.

2. The proportion of exotic to indigenous cotton, which in 1866-67 was as 70,000 to 82,000 candies, is now altered, and the

quantity of exotic is nearly equal to the quantity of indigenous. Although the indigenous Indian cottons, especially the Hingunghat variety, have improved, the New Orleans is that most in demand at home, and this increase in the production of the latter is, therefore, satisfactory.

3. It also appears that in 1866-67 the out-turn of the Northern cotton fields exceeded those of the South by about 7,000 candies. This year the Southern Districts are in excess by about 3,000 candies.

4. The Governor in Council has read with interest Dr. Forbes' account of the Dharwar Cotton Gin Factory (paragraphs 17—76). The introduction of New Orleans cotton into the Southern Maratha Country has given an impetus to the cotton trade, and added to the wealth of the district. This success must, in a great measure, depend upon the supply of proper machinery to prepare the cotton, for which the primitive rollers used for the indigenous cotton were not adapted.

5. The Government by undertaking the general distribution of exotic seed appears to have incurred the obligation of aiding, to a certain extent, in the supply of proper machinery, at least until, in the course of trade, other means for supplying this want are developed.

6. Dr. Forbes' report exhibits the extent to which Government has hitherto fulfilled this obligation, and it is satisfactory to see that so much has been done. The establishment of Branch Factories, as described by him, shows also that these endeavours are appreciated by the people themselves.

7. The Governor in Council considers it a matter of no small importance that the usefulness of the Gin Factory should not be crippled by want of funds. It was, therefore, with much satisfaction that the Governor in Council was able to report to the Government of India on the 18th May last (No. 1916) that, after the rigid enquiry into the Factory accounts carried on under the orders of the Government of India, the profit of Rupees 22,313, returned on the 31st May 1866, was found on the 31st December 1867 to have increased to Rs. 44,703. No reply has, however, been received to that letter, or to the request with which it concluded.

8. It may be taken as proved that the Gin Factory has been successful in the main object of its institution, namely, the provision of suitable machinery for working the exotic cotton that has been substituted for the indigenous cotton of the district, and at the same time that it has paid its own expenses; in other words, that

the cotton-producers, who have so largely benefitted by the introduction of the New Orleans cotton, have also paid fully for the machinery that Government supplied for working it.

9. In this view the Government of Bombay does not hesitate to press on the Government of India the necessity of dealing with this Factory in the spirit of the remarks made in paragraph 60 of Dr. Forbes' report, especially when it is seen that there is at present no prospect of any private source of supply taking its place. Dr. Forbes has stated the loss and vexation caused by the introduction of inferior machinery, and in the letter from Messrs. W. Nicol and Co., published at page 726 of the Bombay *Government Gazette*, is to be found the strongest possible testimony to the necessity of upholding the Cotton Gin Factory.

10. The Right Honourable the Governor in Council therefore, confident of the approval of the Government of India, will call upon the Cotton Commissioner to submit a detailed scheme of the system of management which he would advocate, showing the cost and estimated income, and explaining in greater detail than he has already done why the expenditure cannot be kept within the income. Should it be found indispensable to grant an annual sum for the support of the Cotton Gin Factory over and above its earnings, it will be for consideration whether the excess shall be met from the Cotton Improvement Fund, or be treated as a more special case, and met by a grant from the Imperial Revenues.

11. The subject treated of in the last paragraph of Dr. Forbes' report will be discussed in considering the Annual Report of the Inspector-in-Chief, Cotton Frauds Department.

12. Copies of these proceedings should be submitted to the Secretary of State.

Acting Chief Secretary to Government.

To

The COTTON COMMISSIONER,
The REVENUE COMMISSIONER, S. D.,
The ACCOUNTANT GENERAL,
The CHAMBER of COMMERCE (by letter).

} With printed copies of the papers on which the Resolution is passed.

## No. 86 of 1868.

To The Revenue Commissioner,

Southern Division.

*Cotton Commissioner's Office, Dharwar, 9th May* 1868.

Sir,—I have the honour to forward the following Annual Report of the Cotton Crop of the Southern Division, for the season of 1867-68. The Table marked A exhibits a detailed statement compiled from the Collector's return of the Cotton-growing zillahs, contrasted with those of the foregoing season.

2. Return B is an abbreviated abstract of the above, showing concisely the increase and decrease in the extent of cultivation, as well as of the respective amounts of the produce to the two seasons.

3. To the above I have added a figured statement, C, with the view of exhibiting in a similarly concise table the whole crop of the Bombay Presidency.

4. The only unauthenticated figures in table A are those of the Kulladghee collectorate, for which no detailed report was supplied to this office, and they have been framed from a preliminary estimate of probable out-turn previously supplied.

5. With regard to the Collector's return for Dharwar, all that can be safely received is the area of cultivation shown, which was obtainable from the Talooka returns. Otherwise, from my own observation of the growing crop, I have no doubt whatever that the amount of produce shown as realised is quite fifteen per cent. above the actual reality; therefore in framing the general abstract of the whole Presidency, C, in order to attain a nearer approach to accuracy, I have deducted the above amount from the total crop.

6. I have also in the same return thought it necessary to reduce the estimate of the crop of Khandeish by ten per cent., for similar reasons, and possibly the return for that collectorate may still be above the mark—as, like that of Kulladghee (no regular return having been received) it has been framed from a preliminary statement of probable out-turn, but from what I personally witnessed of the closing period of the season, the crop (which appeared to have been left unpicked unnecessarily long) suffered so severely from heavy rain and hail-storms, that I somewhat doubt whether the percentage deducted adequately represents the loss sustained.

7. As regards the total area of land under cotton cultivation in this Division, it will be seen from Table B that—in comparing the

aggregate of the seven Collectorates with the adjoining return for the preceding season—there has been a total decrease of 6,429 acres, of which 5,289 is due to the indigenous variety, and 1,139 to the exotic.

8. I should here mention that in this Presidency the term exotic is only, properly speaking, applicable to the cotton of these Dharwar Districts, and it refers to the American or New Orleans variety, which has been largely introduced. All figures regarding exotic cotton in other returns represent generally only experiments which have not as yet resulted in any thing like permanent cultivation.

9. An obvious mistake is being made in this respect with regard to the returns for Khandeish, in which the mere transfer of indigenous seed from adjoining provinces has been reported as exotic cultivation—whereas in reality it is no more so than the interchange of seed from one field to another, in as far as distinct character of native Indian cotton is concerned.

10. In the Zillahs of Ahmednuggur, Poona, Sattara, Belgaum, and Sholapore, there has been a collective decrease in the cultivation of the native variety, of 41,332 acres. This, as the returns show, has been compensated for by an increase in the Dharwar and Kulladghee collectorates of 36,042 acres. On the other hand there has been a decrease of exotic cultivation in the Dharwar districts amounting to 4,289 acres, which is so far met by increase in the following Zillahs, viz. Kulladghee 1,821, Ahmednuggur 91, Belgaum 960, and Sattara 276 acres.

11. The total gain in the out-turn of exotic cotton throughout the Division, as represented by the figures in contrast with those of the preceding season, amounts to 2,579 candies, and the same with regard to the native or indigenous variety, to 2,952 candies, but these figures are, as above stated, partly over-estimates.

12. The quality of the cotton of the Dharwar districts is also not equal to the average of former years, and this is entirely due to unfavourable weather, experienced at the most important period of the season. I have been told by the cultivators that the early part of the season gave promise of an abundant crop. Sowing usually takes place about the middle of August, and it was not until November that it became apparent that early anticipations would not be realised, owing to the long continued prevalence of an unusually dry east wind, unrelieved by the rain-fall which is always looked for at that period.

13. After flowering time, in November, the plants fell off in strength and vigour, and the progress of the crop towards ripening became very slow and unsatisfactory; numbers of pods fell unmatured,

a very unusual occurrence here with the American variety, and evidently also from the weakness of the plants numbers of bolls did not arrive at a perfect condition, yielding shorter and weaker-stapled cotton than the remainder. In many places, only two gatherings were obtained, three being the general number, and the picking season has been fully three weeks later than usual. This will explain the reason for which, in the general return C I have thought it necessary to reduce the Collector's estimate.

14. It is worthy of note, as indicating that these unfavourable results have been due to the causes named, that the produce from seed freshly imported and sown last season suffered to the same extent, both as regards quantity and quality.

15. I must now advert to the cotton crop of the preceding season. Owing to the mercantile complaints which were reaching Government of the very unsatisfactory condition in which it was arriving at the market, I considered it expedient that, as early as other engagements would permit, I should proceed to Dharwar to inquire into and ascertain from personal observation what the causes were which had given rise to these complaints, as well as to the deteriorated market value of the produce of these Districts.

16. In a recent report which was called for by the complaint to Government of a mercantile firm in Bombay largely interested in Dharwar Cotton, I have indicated the two main causes to which the evil complained of is to be attributed; viz., partly to the defective condition into which much of the cleaning machinery has passed, and partly to the inefficient working of the Cotton Frauds' Department; and I now purpose supplying the further details which were therein promised.

17. As the Dharwar Government Cotton Gin Factory, with its district auxiliary branches, constitute the main agency by which the cotton-cleaning machinery requires, not only to be supplied, but also to be kept in proper working condition, throughout the Districts, it will be apparent that the perfect efficiency of these establishments is above all others the object most essential to the safety of the cotton crop, upon which the prosperity of the Districts mainly depends.

18. During my recent absence in England on medical furlough the financial affairs of the Factory attracted the notice of the Supreme Government, and they have been taken under its immediate control with the view of insisting upon the fulfilment of a condition imposed by that Government, viz. that the Factory must be worked at a profit which must be sufficient to cover all expenditure and outlay connected with its operations.

19. I now find that through the rigorous enforcement of this condition in order to show profits, the operations of the Factory were diverted into other channels quite unconnected with its own proper duties, and which have led to the latter being proportionately neglected to an extent which has partly given rise to the complaints above alluded to. It therefore becomes necessary to explain existing reasons which do not admit of the Factory being entirely self-supporting, keeping in view at the same time the due fulfilment of the duties for which it was originally instituted, and as this involves the question as to whether it ought to obtain some support from the State, I think it may be desirable for the information of the Supreme Government to add a sketch of the history and uses of the Factory from its commencement.

20. It is now many years (dating as far back as 1840) since the first great efforts were made for the introduction of the improved variety of American cotton into the Dharwar Districts, an effort which was persevered in for many succeeding years, I may say regardless of cost, before results which were considered partially successful had been arrived at.

21. The Government Records contain ample and complete reports of the history and progress of the experiments, and it is unnecessary that I should either recapitulate or refer to them here further than to point out, with reference to the subject with which I am now dealing, that they indisputably establish the fact that to secure the benefit which these successful results are capable of bestowing, and which will more than amply recompense all the cost and labour they entailed, there are two points, and I may say two only, which must not be lost sight of. These are, first, the preservation of the cotton-cleaning machinery in perfect working order; and secondly, the prevention of the mixed cultivation of the two varieties, viz: Native and American, in the same field.

22. That each of these evils in its turn has already very nearly culminated in the entire loss of the American variety of cotton from these Districts, may be seen from reference to the two documents which I have noted in the margin.

1. Selection from Government Records No. LXVII. New Series; Report on Dharwar Cotton Gin Factory for 1862.
2. Letter to Chief Secretary to Government No. 90 of 1865, dated 27th May; on Introduction of Pure Seed into the Dharwar Districts.

23. I may state as a fact, which has been more than once confirmed, and which I do not think will now be disputed, that when Dharwar Saw-Ginned Cotton has reached the home market in its pure, and best condition, it has not only commanded a higher price

than any other Indian produce, but it has also fairly rivalled that of what may be called its mother country, in competing with the description termed "Middling Orleans," the article most required in England.

24. From the fact that the American variety cannot be separated from the seed by the process which is suitable for the native cotton, viz.: the foot roller and chirka, it was found necessary contemporaneously with the introduction of the former, to provide the means of preparing it for market; and with this view in the first instance, Saw-gins were imported from America, but it was soon discovered that from various causes they were quite unsuited to use in this country, and with the view of manufacturing suitable machinery the Dharwar Factory was established.

25. It was provided for on the most liberal footing, and without regard to cost or expenditure. An Engineer was entertained on a salary of Rupees 650 per mensem; his operations were presided over by one of the American Planters, who was receiving a thousand rupees a month; a suitable working establishment of artisans was engaged, and subsequently, in addition to the above, another mechanical Engineer was entertained on a salary of Rupees 250.

26. As the Factory had thus become a very expensive concern, great results were expected from it. But these results were not realised; on the other hand, the cultivation of American cotton fell off and its value became reduced in the market, until at length the Home Government (the Honourable Court of Directors) despairing of success, determined upon abandoning the enterprise, and orders were received for the closing of the Dharwar Factory, in common with others that had been established on a similar footing in Guzerat and Khandeish.

27. The interest I had been previously taking in these experiments had caused me to observe the chief cause which was likely to conduce to their failure; and this I represented to the Local Government, which thereupon deferred carrying out the Home instructions pending a further reference, which led to the continuance of the Dharwar Factory, though the others were abolished.

28. It had by this time been satisfactorily established that both the soil and climate of these districts were eminently adapted to the cultivation of the American plant, and it was therefore evident that the pending failure and abandonment of the enterprise was due to some other reason, which had not until then been inquired into.

29. The defective character of the machinery which had been supplied by the Factory had attracted my attention, and it was proved that its operation upon the staple was entirely destroying the

market value of the produce. With the means at command I believed that a more suitable machine could be constructed, and the Factory was accordingly placed under my supervision.

30. I applied myself at once to the construction of a cotton-gin which would be more safe and suitable to the requirements of the Districts; and as soon as this object was attained the former defective machinery was withdrawn and broken up.

31. The results of the introduction of the new machine became very soon apparent, not only by a steady and rapid increase in the cultivation of the American cotton, but also from its suddenly enhanced value in the market, which very soon led to the marked prosperity of the cultivators, and consequently the large demand for machinery which soon followed admitted of a small percentage of profit being charged, which ere long sufficed to cover all expenses, and to make the Factory somewhat more than self-supporting.

32. Owing to the immense extent of country which in process of time became covered with this cultivation, it was found that the factory alone was unable to cope with the requirements of the Districts—though its establishment had been increased to many times the number of hands originally employed.

33. Gins had found their way into districts eighty and ninety miles distant from the factory, there being scarcely a village, however small, in which some were not to be met with, and it was found impossible from head quarters to exercise careful supervision over them; consequently in the busy season owners found that they were often obliged to continue working their gins at a disadvantage, when they required repairs, from the impossibility of obtaining workmen to attend to them.

34. Moreover, when from accident or other causes the machine had got into a condition which required its being taken to the lathes, the delay and expense of the journey became a serious matter to the owner, often costing him considerably more than the actual price of the repairs.

35. There was but one remedy for this. As the people could not come to the Factory, the latter must be brought to them, and this was effected by the establishment of branch factories, so situated as to have entirely within their command the whole of the gins of the district to which they were appointed.

36. There are six of these Factories now established, but I must here state that they are not the property of Government; they belong to the gin-owners, by whose voluntary subscriptions they were built, and as I have explained in a recent communication, the

whole responsibility of profit or loss upon their operations rests entirely with their shareholders; their sole connexion with the parent Factory was one which was entered into as mutually advantageous to the requirements and engagements of both parties.

37. It will be seen that under the existing circumstances the purchaser of such a machine as a cotton-gin must remain entirely dependent upon the sources from which he obtained it for its repair, either in case of accident or in course of "tear and wear," there being no other means available to him for this purpose; and to this condition the Factory was therefore originally bound with respect to every machine purchased from it, in as far as its means could be availab'e.

38. Its engagements therefore with respect to these branch factories amounted only to providing men and materials, that is, properly trained and qualified workmen—and the supply of suitable materials for repairs, which were not obtainable in the country, and which could only be procured from England. For the wages of the workmen and the payment of the stores supplied, the supporters of the branch factories became responsible, and in order to provide a fund for this purpose, each owner of a gin agreed to subscribe a certain sum annually.

39. I shall now describe the system adopted for the management and control of these dependent establishments. With the view of making them as far as possible both self-acting and self-responsible, a committee was appointed, elected by the owners, for the arrangement of their pecuniary affairs, and also to act as a medium of communication between the gin-owners of their respective districts and the Dharwar Factory, and to ensure the proper efficiency of the working establishments.

40. These committees of management, or "Punchayats" as they are termed, consisted of from five to seven members, elected by the general subscribers, so as to represent the several classes concerned in the trade, viz. the cultivator, the native dealer, and the owners of cleaning establishments.

41. Their duties as laid down in the Rules for regulating the operations of the Factory are as follows; 1st, to audit the accounts monthly, and to submit to the subscribers a half-yearly report of receipts and expenditure; 2nd, to examine the weekly and monthly returns of the work executed by the establishment, and to report thereon; 3rd, to receive and report upon any complaints that may come from the gin-owners in the villages of their district, with respect to any carelessness or inefficiency on the part of the travelling working parties; and during the busy season a member of the com-

mittee visits the branch factory daily, to ensure the attendance and efficiency of the portion of the establishment therein employed, and he signs the daily attendance-book, adding remarks if required. This duty is taken by turns weekly.

42. The working establishment of each branch factory during the busy season generally averages from 15 to 20 artizans, with a proportionate number of coolies; the former are men who were apprenticed and carefully trained in the Dharwar Factory to all the requirements of gin work; they are under the control of a head workman or "maistri," who is stationary, and manages the latter work.

43. From these artizans the numbers required are selected and formed into travelling working parties, to each of which a division or circuit is allotted, of sufficient size to admit of its being traversed twice in the month, so as to ensure the regular inspection once a fortnight of every gin in that circuit, whether it may be in or out of order. The result of this examination is entered in the diary kept by the head man of the circuit, and it is sent in for the inspection of the committee monthly.

44. In addition to the above record the same man is provided with a book, containing forms of certificates in duplicate to be signed by the Patel of each village visited, showing when the party arrived at and left the village, and certifying to their having inspected all the gins present, and also recording the materials expended and nature of the work done. One copy of this certificate is detached and sent to the committee, the other being reserved for superintendent's records.

45. When a machine is found to be so much out of repair as to detain the party beyond the proper time that can be devoted to the village, it is usually either sent in to the factory or a special workman is sent out to attend to it, as the case may be.

46. The tools and implements required by these working parties are carried about with them in a cart, and as all the gins are made exactly on the same pattern, a supply of ready made articles is also included with the tools, so that any old and worn-out portions, such as bearings, screws, bolts and nuts, brushes, &c. can be at once replaced by a new one without the workman being detained to make them on the spot. In this manner the repairs of a gin which would otherwise occupy days, may often be completed in an hour or two. The requisite supplies of the above mentioned ready made materials are prepared at the head factory in Dharwar, to be furnished on indent to the branch factories, and regularly paid for; and the materials for them are obtained from England direct at the cheapest rates procurable for the best quality.

47. The regular inspection of gins is a very essential measure during the working season, as their owners, sometimes from ignorance, and often from carelessness, will continue working the machine though out of repair. From the above sketch, it will be seen that the means and appliances are at command for maintaining the whole of the cotton cleaning machinery of this district in the most perfect order; and it may be asked how it is that they have been latterly failing to do so—which must be admitted, as also that this failure has contributed its quota to the falling off of the value of the produce in the market.

48. The causes which have led to this must now be explained, first, with regard to the Dharwar Factory itself, and secondly, in respect to the branch factories.

49. Up to the period of my receiving charge, as I have above shown, the Dharwar Factory was conducted on the most liberal footing, regardless of expense. There were no conditions as to profits or returns. The machines made, which were but few in comparison with the number of hands employed, were sold at "the cost of construction," viz., the actual price of the materials used and the pay of the workmen employed upon them. All other expenses, including pay of superintendence, were paid for by the Government.

50. I have above stated that a small percentage was added to the price of new machines and of work done, and as the *charge of superintendence* was reduced to a low figure, Rupees 200 per mensem (which was all I received), it was not long before the Factory gave signs of realizing my anticipation that it might become self-supporting.

51. For some time after the commencement there was a balance against the concern, but the profit increased with the work, which became very extensive, and latterly the balance was of the other side.

52. In June 1863, owing to my being appointed to other duties, I was obliged to transfer the immediate management of the factory to an assistant appointed for the purpose, retaining only the general supervision, and a reference to the returns from May 1855—the period of my taking charge, up to the first named date (June 1863) shows that there was a balance to the credit of the Factory of Rs. 14,066.

53. For some time after, the actual profits are not so clearly traceable, owing to over valuation of work completed, but after reducing that to the proper limits, that term also shows a balance in favour of the concern.

54. This brings me to the period at which Mr. Walton was appointed, when I was about leaving the country for England on medical certificate, viz., in February 1855, and the financial operations of the factory during his tenure have been made the subject of official inquiry by the Supreme Government, an accountant having been specially deputed for that duty, and his reports have been submitted.

55. I have already in a previous communication represented the manner in which that inquiry was conducted, and I may here again have to refer to it; but at present I may state that, considering the the extent to which the operations had expanded, and the responsibility attached to them, it was out of the question to expect that the services of a suitable person would be obtained to conduct such duties on the trifling remuneration which I had been content with, and accordingly Mr. Walton's emoluments were fixed at Rs. 900 per mensem.

56. This salary was subsequently augmented by Rs. 320 a month for the performance of another duty unconnected with the factory, though the factory profits were to be held responsible for the augmented pay.

57. All this was much more than the factory could bear at its best, but as the incumbent was obliged to exhibit profits in order to secure his pay, he was forced to the alternative of embarking in other duties from which returns could be obtained, but which were not only foreign to those properly belonging to the factory, but also incompatible with his devoting that attention to the latter which their interests required, and the result has been not only a confusion and mixing up of details of departments, as shown in the Accountant's report, but also a falling off in the efficiency of the factory and its branches, which has partially given rise to the complaints from the trade which I have above noticed.

58. Before alluding to the remedy which this state of matters requires I must refer to other difficulties which have beset the operations of the branch factories. The enormous fall in the price of cotton occasioned by the crisis had very considerably damped the ardour of the gin-owners, viz., cultivators and cotton dealers. They were no longer disposed to give that support to their branch factories which was necessary in order to secure the proper efficiency of the cleaning machinery, and large numbers of the subscribers withdrew on the plea that they could no longer afford the subscription which they had previously agreed to pay; these parties were accordingly obliged to have recourse to other means for the repair of their gins, and the only source available to them was the employment of any other workmen who would undertake the job, whether qualified or

not to do justice to it. This, as I have represented in a previous communication, has led to the districts being inundated with a class of men who know nothing whatever of the requirements of a saw-gin; and so long as the owner could get the machine to work for the time being, he was entirely indifferent as to the treatment to which it was subjected, as also quite regardless of the damage it inflicted upon the produce. And this is the condition in which I have found matters upon my arrival to inquire into them.

59. I have seen that there is not a single gin touched by those people which is not, either through their ignorance or carelessness, rendered destructive to the fibre with which it has to deal, and therefore it becomes absolutely necessary that they should be either superseded or brought under control.

60. To return to the question of management. It must now be apparent that this cannot be obtained on the terms that have been so rigidly exacted and enforced by the supreme Government. As soon as a suspicion existed that the profits might not entirely cover the outlay, the pay of the assistant in charge was suspended, and he was put to pecuniary inconvenience pending the result of the inquiry which was instituted, and which has not yet been closed.

61. I have already had occasion to report upon the very unusual manner in which that inquiry has been dealt with by the officer appointed to conduct it, and I have shown that no establishment of the sort could possibly afford to be judged upon such conditions. No doubt existed as to the profits shown, but the whole question was made to depend upon the valuation of the stock. To decide this point a duly qualified committee was appointed, but the decision of this committee, not meeting the views of the person entrusted with the inquiry, was entirely ignored by him, and though in no way qualified to judge of the matter himself, by an unaccountable process of valuation and a system of figures adapted to it, he brought the factory out at a discount equal to the credit it would have obtained if fairly dealt with.

62. In disposing of a question of that nature figures should lead to facts, not fallacies. A concern such as the factory, with the great extent to which its operations had extended, could not possibly exist without maintaining a considerable stock of materials on hand, dependent, as it was, for their supplies from England, the arrival of which were precarious. And, because these materials were for the moment not supposed to be required, to value them at next to nothing was a pure absurdity. I trust that the matter will obtain due and fair consideration, if the object is to ascertain truly what the real profits of the factory have been. Under any circumstances, however, it must be kept in view that a part of the work done from which these profits were realised did not legitimately belong to

the factory, the interests of which were sacrificed for the attainment of these profits, and this is therefore a source which in future cannot be calculated upon.

63. It must be seen from what I have represented that the funds of the factory will require some support from Government in order to ensure its being worked satisfactorily, and the question for consideration is, whether or not its requirements and uses are deserving of such support.

64. That they were deemed so by the former Government is apparent from the very liberal footing upon which it was established, and also from what I may term the free expenditure bestowed upon it to secure an object which was considered of paramount importance to the cotton trade, as well as to other interests.

65. The stake at issue is the single point upon which every consideration must hinge, and that, both as regards the cotton trade, and the interests of the country, can now be clearly defined. If the produce of these districts can be maintained at its best marketable condition, it will command (as has been proved) a higher price than any other Indian cotton by at least one penny per pound. The crop in question has been one penny per pound below other varieties, and two pence per pound upon the entire produce (which at a moderate estimate amounts to 150,000 bales) is equal to a loss of half a million sterling annually.

66. The requirements, in so far as the Factory is concerned, are confined to provision being made for the pay of the Superintendent. Those connected with the efficient operation of the factories are as follows: The first and most important object is if possible to bring every gin at work in the districts under the immediate care of the Factory workmen. To effect this it will be necessary to reduce the yearly subscription to the lowest possible figure, at some sacrifice. If it were lowered to half its present sum, I think it probable that every man owning a gin would become a subscriber, and the aggregate sum obtained from the increased number would be more than the present income, but this again would be met by increased expenditure upon the establishment of workmen, as a greater number of hands would be required. Secondly, the price charged for materials should be lowered to the smallest possible figure; hitherto it has been kept up from the necessity of showing profit to the Factory in all its transactions.

67. The effect of these two measures would be to get rid of the greatest existing evil, viz: the swarm of ignorant and unskilled people who go about calling themselves workmen, and who injure and destroy every gin they put their hand to.

68. The above sacrifices are required in order completely to under-work them ; at present there are many descriptions of work about a gin that they deal with after their own fashion at half the cost and in half the time a factory workman would require. The repairing and resetting of saws, for instance. This is a job which requires the greatest nicety and care in order to preserve the saw in its original form, but it is performed by the outside workman by a few strokes of his file upon each tooth, whereby it is converted into a sharp cutting instrument instead of remaining a round and pointed hook as it ought to be. One of these men will get through two such jobs as these, whilst the factory man is employed upon one, from the care and attention he has to pay to the work.

69. Another object much to be desired is the withdrawal of a large number of gins of the most worthless description, which were got up by village blacksmiths and carpenters during the height of the cotton speculation. They are articles that can be neither repaired nor altered into any form which would prevent their destroying cotton. They may be dealt with as was done on a former occasion to which I have referred. With a small amount of liberality their owners would, I have no doubt, be willingly induced to part with them or exchange them for new machines.

70. All my endeavours, since I have arrived here, have been directed towards correcting the condition of the cleaning machinery, with a view to the preservation of the market value of the present season's crop. In course of these operations I am obtaining reports for having a correct register prepared of the actual state of every gin in the country, from careful inspection. This when completed will enable me to state correctly the amount of work to be done, as also the number of gins that should be got rid of. From what is at present before me my impression is that about four hundred new gins will be wanted. The total number at present in the districts, good and bad, amounts to upwards of 2,000.

71. In order to ensure the work being carried on satisfactorily, there is another requirement that will have to be met, viz. superintendence to check the reports of the working parties on their tours. With the above-mentioned number of machines spread over a country upwards of 140 miles in length, no single individual could possibly perform this duty. At present I have employed three persons upon it, each taking the rounds of two branch factories. They follow the working parties in their circuits, examining the work they have done, and verifying their reports in other respects. Any one acquainted with natives employed in work of this description, and the manner in which all parties concerned sometimes combine to exaggerate results, will understand the necessity for the supervision.

72. With the information I have collected, both during my own tours and from other sources, I find that for the above district work the expenditure would exceed the income by about 6,000 Rupees per annum. This is exclusive of the Dharwar Factory management, which, however, can at present be arranged without much additional expense.

73. I beg to state that in this extra expenditure I should be in no way individually benefited. I receive no remuneration for the duties I perform as Superintendent of the Dharwar Factory.

74. With the abovementioned means at my disposal, I consider that I should be able to bring every gin in these districts within the control of the factory workmen, and to keep them all in first rate order; and it now remains for the consideration of Government as to whether these means should be bestowed. I have already mentioned the interests at stake, but in addition to those there is another point that cannot be lost sight of; it is that to which I have above referred, viz: the position of Government with respect to those to whom it has supplied this machinery, and with regard to maintaining for the purchasers the means of keeping their gins in repair, without which they would become a dead loss to them.

75. This was an understood condition, which was unavoidable, and whatever the extent may be to which these means are provided, it is one from which the Government cannot in fairness withdraw, until it be relieved of the responsibility by the intervention of other agencies. It is a responsiblity which could not be made over to a private cotton dealing company, as has been proposed; to do so, as can be shown, would be virtually giving that company the entire monopoly of the cotton trade of the districts, to the exclusion of all competition. Such proposals have been made to former Governments, but rejected on account of the above, as well as other important reasons.

76. It may be a question of time as to when the agencies above mentioned will appear, but I have no doubt there is a future in store for these districts which will place them on a level with others that have for the time being got the start of them, and when their trade also will be able to take care of itself without any aid or intervention.

77. There is one circumstance however connected with this matter, which I should be wrong in passing over unnoticed. It is one which may be best described by quoting the following passage from a printed work which I accidentally met with:—"It is a prevalent belief that those interested in the Government Dharwar Gin Factory, which supplies saw-gins fitted with saws imported from England, would use their powerful interests in the district to prevent Native Cotton merchants from sending their cotton to be ginned in

the steam ginning factories that may be established. It is now highly expedient that the Dharwar Government Gin Factory should be abolished, leaving the field open for private enterprise."

78. The above is but one of many similar representations that have been published. Moreover, I being the person indicated, have more than once had repeated to me, questions put by Manchester machine makers, no doubt desirous of having their machinery sold in Dharwar, as they are in other provinces, such as—Why it was that I would have no other than the Dharwar saw-gin introduced here?

79. As there has never yet been a word said upon the other side in contradiction to these statements, they have been accepted by many as facts, and it may therefore be as well now to discuss the question.

80. As regards the first of these representations, I think I may safely refer to past records to prove the earnestness with which I have for many years back advocated the introduction of such agencies as are referred to, and also to the somewhat warm controversies that such advocacy had led me into with the merchants upon whom I had endeavoured to impress my views with regard to them.

81. It even fell to my lot to have gained the unenviable distinction of having brought Manchester itself to the rescue, for which I need never hope to be forgiven, though the undertaking fell through, solely from the poverty with which it was supported—a poverty that contrasted somewhat ludicrously with the high-sounding pretentions with which the scheme was launched, and not less so, with the very uncommonly small pecuniary risk ventured by those who subsequently came forward to represent themselves as the champions of this "Grand National undertaking." I may truly assert that I never missed any opportunity that offered of effecting this object. I have traversed the length and breadth of the district with companies' agents who were sent to explore and select suitable localities for commencing operations, and, as they can testify, I strained all the influence I could bring to bear in order to enable them to procure their land on reasonable terms. In face of all this I think I may complain of being so publicly misrepresented.

82. Next with regard to the matter of machinery. I will reply to the complaints of these machine makers by asking them a question. Supposing that every thing was cut and dry to their hands, even to the extent of having a railway to help them, in what position do they stand with regard to being able to bring a more suitable machine forward to replace the saw-gin? This is a question that must be answered for them. The quotation I have given indicates the position they are in; the Macarthy gin being the only one they

are prepared with, and unfortunately, though it answers in Guzerat it will not answer in Dharwar.

83. Some years ago I had reported upon it as unsuitable. But as since then it is being daily advertised as having undergone great additions and improvements, I was resolved upon taking the first opportunity of putting the improved machine upon trial, and this I have done, only a few weeks ago, under circumstances which place all possibility of chance or accident having interfered to affect the result, the machine being under the management of one who thoroughly understands it.

84. Worked side by side with the same driving machine, the Macarthy turns out not quite half the quantity of New Orleans cotton that the saw-gin does, whilst there is a very material difference also in the amount of labour required. With the cattle power used, two pairs of bullocks can work three eighteen saw-gins, whereas they cannot drive more than one Macarthy 40 inch machine. The three former will give 900 lbs. of clean cotton per day, against less than 150 lbs. from the latter, with the same cost of labour employed.

85. I did not expect to find the Macarthy gin come at all up to the saw-gin in out-turn, but was not quite prepared for the great difference above-mentioned; and accordingly I wished to take advantage of the same opportunity to ascertain a point of information which would be of great importance to parties purposing to embark in ginning factories here, viz: whether the mode of cleaning affected the market value to an extent which would give the Macarthy a chance against the saw-gin. I sent samples to the Chamber of Commerce, but did not obtain the description of information I required, viz: the value per pound of each sample as contrasted with the best cotton at the time in the market. From another source to which I had sent samples I got more precise information. Out of half a dozen parties only one gave preference to the saw-ginned, but the valuation in other respects was not equal to what the samples deserved, as the result proved, by the cotton having been sold in the Bazaar here, at a price which on calculation is a small sum over what the full price of first class Dhollera was in Bombay at the same date.

86. This was satisfactory with regard to another point which I wished to ascertain, viz: how far the present depression of the Dharwar cotton is due to the mixing of the two varieties; and in order to test this fairly, the cotton procured for the experiments consisted of the usual admixture which the dealers make of first, second, and third pickings; besides which most of it came from Bunkapore, usually a good district, but this year it has suffered more than any other talooka from the unfavourable season—and as

I saw from visiting the fields, was neither equal in quality nor quantity to what it generally is.

87. The former object I have mentioned has not been so satisfactorily obtained. The true way of arriving at it would have been to have sent the cotton from both machines home to Manchester; and this I intended doing, as the quantity would have been sufficient (about 1,000 lbs.), but I was disappointed in the agency through which I expected to carry it out, and have consequently been obliged to dispose of it otherwise.

88. To return to the subject of the gins. It will be seen that unless the Macarthy gin can be improved for the cleaning of American cotton, it cannot enter the field in competition with the saw-gin, and as I wish this information to be as complete as possible, I may state that through the agency of a new addition to the cleaning machinery, the employment of which will soon become general, the present cost of cleaning Dharwar cotton will be very much reduced.

89. When lately at home, I applied myself to supplying a want very much required here, namely, a cattle-power driving-machine suitable for District work. For several years back efforts were made to obtain the desired article. I had myself tried Manchester makers on the spot, but with all the instruction I could give them they failed signally. Subsequently the matter was taken up by the Home Government, and under instructions from the Right Honourable Sir Charles Wood, implement makers were invited to a competition, from the result of which several machines were sent to the Factory, not one of which came near the requirements in work, not to mention the high prices charged.

90. I need not here enter into particulars, further than to state that the mistake made by English makers was in the calculation of speed. They did not estimate the difference between the pace of a horse and a bullock. The former is 2½ miles an hour, whereas the latter, working in a mill, is I find not quite a mile an hour. The machine which I have now produced was designed and constructed in Scotland. It meets all the requirements of the case, and its low price will bring it within the reach of the smallest dealers. Three pairs of bullocks will work four 18 saw-gins with ease, and turn out at the lowest estimate 3½ bhars of cottton per day. The cost of working the machinery at the highest estimate, as per margin, will be Rs. 4, showing a little over Rs. 1 per bhar as the cost of cleaning, whereas in Guzerat where the Macarthy gin is used, with steam, the cost per bhar is rarely under ten Rupees, and has been over 20.

| | |
|---|---|
| 3 Pairs of Bullocks and drivers..... | Rs. 3 |
| 4 men to feed..... | „ 1 |
| Total Rupees.... | 4 |

91. By these experiments, and by having clearly ascertained the above results, I consider that I have conferred a favour upon those gentlemen who complained of my standing in the way of the sale of their machinery; and at all events that I have cleared myself from all such imputations.

92. It must now be plain to them that unless they can alter or improve the machine in some shape, their Macarthy gin cannot take the field against the saw-gin to operate upon American cotton. Indeed the best proof that it is not suitable is that the Americans still adhere to the saw-gin, whilst the other would readily enough find favour with them if it had advantages to recommend it.

93. Here in Dharwar therefore we are still dependent upon the saw-gin, and I am quite prepared to contest the merits of the Factory gin with those of any other that can be brought forward; because, through the liberality of Government, the factory has in its show-room specimens of every new improvement, and they have all been fairly tried and contrasted.

94. The American inventions far surpass the English in ingenuity and perfection of design and workmanship; but there is just one point in which their machines fail in this country, and that is that they are designed and intended for European handling, which is a very different affair from that of the natives and coolies of this country. I have sent some of the most promising of them, the "Emery gin," for instance, into the districts, and within a week it came back dilapidated and destroyed.

95. Considering the beauty and perfection of some of these machines, I have no doubt that their owners and patentees will find it hard to believe that they don't succeed, and it is I admit an exceptional case which they may not understand. Any man who wishes to understand it properly, must himself visit the country to observe the causes and realise the results. I mention this only for the information of the parties concerned, it does not refer to the question above mooted, which was not substituting one saw-gin for another, but introducing some other machine to replace the saw-gin.

96. I have in a preceding communication submitted to Government full information regarding the second cause mentioned in the foregoing part of this report, as leading to deteriorated value of the Dharwar produce in the market, viz: the fraudulent admixture of the exotic and indigenous varieties of cotton, during the process of cleaning in the saw-gin, the result of which is that the seed becomes mixed, and as it cannot afterwards be separated it is sown in that condition, giving rise to mixed cultivation, which destroys the purity of the American cotton, and lowers its value in the market. I

have also indicated the measures by which this evil may be eradicated, through the judicious administration of the Cotton Frauds' Act, which especially provides for it; and I need only now state that I am adopting all the means that are available this season for the distribution of pure seed to the cultivators, in the hope of being able to raise a supply sufficient to meet the wants of the whole district for the season following.

I have the honour to be,

Sir,

Your most obedient Servant,

G. F. FORBES,

Cotton Commissioner.

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No. 1827 OF 1868.

REVENUE DEPARTMENT.

*Mahabuleshwar, 1st June* 1861.

Submitted to Government for information.

The Officiating Revenue Commissioner, Southern Division, has given his opinion regarding the importance of keeping in repair Cotton Gins and Machinery, and also of destroying all inferior and damaged Cotton Seed, in his letter No. 700, dated 6th March last.

A. F. BELLASIS,

Officiating Revenue Commissioner, S. D.

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**A.**

*RETURN OF COTTON CULTIVATION, and the Estimated Out-turn* 1866-67, *in the Southern Division*

| Name of Zillah. | COTTON CROP 1866-67. Extent of Cultivation in Acres. | | | | | | Actual produce in Candies of 784 lbs. of clean Cotton. | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Of Exotic Cotton. | | Of Indigenous Cotton. | | Total. | | Of Exotic Cotton. | | Of Indigenous Cotton | | Total. | |
| | Acres. | G. | Acres. | G. | Acres. | G. | Cands. | lbs. | Cands. | lbs. | Cands. | lbs. |
| Ahmednuggur ... | 50 | .. | 25,707 | 1 | 25,757 | 1 | 3 | 98 | 888 | 381 | 891 | 479 |
| Belgaum ..... | 1,965 | .. | 130,810 | 18 | 132,675 | 18 | 31 | 600 | 2,149 | 218 | 2,181 | 40 |
| Dharwar ..... | 304,688 | 19 | 161,749 | 21 | 466,438 | .. | 25,588 | 400 | 9,079 | 722 | 34,668 | 347 |
| Kulladghee..... | 8,823 | 6 | 232,375 | .. | 271,098 | 6 | 805 | 700 | 20,707 | 555 | 21,508 | 471 |
| Poona ..... | 20 | 2 | 32,599 | 38 | 32,620 | .. | 1 | 182 | 2,014 | 1411 | 2,015 | 323½ |
| Sattara..... | .... | .. | 44,718 | 26 | 44,718 | 26 | .... | .. | 1,035 | 519 | 1,035 | 519 |
| Sholapore..... | .... | .. | 79,857 | 17½ | 79,857 | 17½ | .... | .. | 2,574 | 673½ | 2,574 | 673½ |
| Grand Total... | 315,446 | 27 | 737,718 | 1½ | 1,053,164 | 28½ | 26,430 | 427 | 38,540 | 73½ | 64,970 | 500½ |

*Cotton Commissioner's Office,*
*Dharwar, 9th May* 1868.

*of the Crop for the Season* 1867-68, *as compared with that of of the Bombay Presidency.*

FOR THE SEASON.

1867-68.

| Extent of Cultivation in Acres. | | | | | | Estimated Out-turn in Candies of 784 lbs. of clean Cotton. | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Of Exotic Cotton. | | Of Indigenous Cotton. | | Total. | | Of Exotic Cotton. | | Of Indigenous Cotton. | | Total. | |
| Acres. | G. | Acres. | G. | Acres. | G. | Candies. | lbs. | Candies. | lbs. | Candies. | lbs. |
| 141 | 24 | 19,885 | 24 | 20,027 | 8 | 8 | 59½ | 837 | 135½ | 845 | 194½ |
| 2,825 | 11½ | 122,191 | 5 | 125,016 | 16½ | 50 | 492 | 1,858 | 772 | 1,909 | 480 |
| 300,398 | 26 | 181,485 | 13 | 481,883 | 39 | 27,931 | 460 | 10,469 | 356 | 38,401 | 32 |
| 10,645 | 5 | 278,582 | 1 | 289,227 | 6 | 1,003 | 648 | 23,515 | 357 | 24,519 | 221 |
| 10 | 5 | 23,410 | 15 | 23,420 | 20 | .... | 514½ | 1,369 | 503½ | 1,370 | 234½ |
| 276 | 9 | 35,943 | 39 | 36,220 | 8 | 14 | 628 | 1,274 | 281 | 1,289 | 125 |
| 9 | 38 | 70,930 | 8½ | 70,940 | 6½ | .... | 98 | 2,167 | 497 | 2,067 | 595 |
| 314,306 | 38½ | 732,428 | 25½ | 1,046,735 | 24 | 29,009 | 547½ | 41,492 | 550 | 70,502 | 313½ |

G. F. FORBES,

Cotton Commissioner.

**B.**

*ABSTRACT OF COTTON RETURN of the Southern Division of the Bombay Presidency, showing the Estimated Difference between extent of Cultivation and Out-turn of Crop of the year* 1866-67, *as compared with that of* 1867-68.

| Season. | Extent of Cultivation in Acres. | | | | | | Actual produce in Candies of 784 lbs. of cleaned Cotton. | | | | | | Remarks. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Of Exotic. | | Of Indigenous. | | Total. | | Of Exotic. | | Of Indigenous. | | Total. | | |
| | Acres. | G. | Acres. | G. | Acres. | G. | Cands. | lbs. | Cands. | lbs. | Cands. | lbs. | |
| The year 1866-67 . | 315,446 | 27 | 737,718 | 1¾ | 1,053,164 | 28¾ | 26,430 | 427 | 38,540 | 73¾ | 64,970 | 500¾ | |
| The year 1887-68 . | 314,306 | 38½ | 732,428 | 25½ | 1,046,735 | 24 | 29,009 | 547¾ | 41,492 | 550 | 70,502 | 313¾ | |
| Less than 1866-67. | 1,139 | 28½ | 5,289 | 16¼ | 6,429 | 4¾ | .. | .. | .. | .. | .. | .. | |
| More than 1866-67. | .... | .. | .... | .. | .... | .. | 2,579 | 120¾ | 2,952 | 476¼ | 5,531 | 597 | |

G. F. FORBES,
Cotton Commissioner.

*Cotton Commissioner's Office, Dharwar, 9th May* 1868.

# STATEMENT C.

C.

*GENERAL RETURN of COTTON CULTIVATION in the Bombay compared with that*

| | COTTON CROP | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1866-67. | | | | | | | | | | | |
| | Extent of cultivation in Acres. | | | | | | Actual produce in Candies of 784 lbs. of clean Cotton. | | | | | |
| | Of Exotic Cotton. | | Of Indigenous Cotton. | | TOTAL. | | Of Exotic Cotton. | | Of Indigenous Cotton. | | TOTAL. | |
| *Northern Division.* | Acres. | G. | Acres. | G. | Acres. | G. | Candy. | lbs. | Candy. | lbs. | Candy. | lbs. |
| Ahmedabad ..... | 17 | 34 | 220,027 | 32 | 220,045 | 26 | 1 | 348 | 10,905 | 171 | 10,906 | 519 |
| Kaira ..... | .... | .. | 11,792 | 25 | 11,792 | 25 | .. | .. | 1,946 | 754 | 1,745 | 754 |
| Surat ..... | 10 | 15 | 121,208 | 15 | 121,218 | 30 | .. | 317 | 20,770 | 405 | 20,770 | 722 |
| Khandeish..... | 436,336 | 5½ | .... | 33 | 436,336 | 38½ | 38,947 | 624 | .. | 8 | 38,947 | 632 |
| *Southern Division.* | | | | | | | | | | | | |
| Ahmednuggur ..... | 50 | .. | 25,707 | 1 | 25,757 | 1 | 3 | 98 | 888 | 381 | 891 | 479 |
| Belgaum ..... | 1,865 | .. | 130,810 | 18 | 132,675 | 18 | 31 | 606 | 2,149 | 218 | 2,181 | 40 |
| Dharwar ..... | 304,088 | 19 | 161,749 | 21 | 466,436 | .. | 25,588 | 409 | 9,079 | 722 | 34,668 | 347 |
| Kulladghee ..... | 8,823 | 6 | 262,275 | .. | 271,098 | 6 | 805 | 700 | 20,797 | 555 | 21,603 | 471 |
| Poona ..... | 20 | 2 | 32,599 | 38 | 32,620 | .. | 1 | 182 | 2,014 | 141½ | 2,015 | 323½ |
| Sattara ..... | .... | .. | 44,718 | 26 | 44,718 | 26 | .. | .. | 1,035 | 519 | 1,035 | 519 |
| Sholapore ..... | .... | .. | 79,857 | 17⅜ | 79,857 | 17⅜ | .. | .. | 2,574 | 673½ | 2,574 | 673½ |
| *Native States.* | | | | | | | | | | | | |
| Kolapore and S. M. Country. | 52,920 | 5 | 100,929 | 25 | 153,849 | 30 | 4,584 | 77½ | 4,463 | 534½ | 9,047 | 612 |
| Rewa Kanta ..... | .... | .. | 9,950 | .. | 9,950 | .. | .. | .. | 1,226 | 440 | 1,226 | 440 |
| Pahlunpoor ..... | .... | .. | 35,481 | .. | 35,481 | .. | .. | .. | 4,572 | .. | 4,572 | .. |
| Akulkote ..... | .... | .. | 8,934 | .. | 8,934 | .. | .. | .. | 267 | 81 | 267 | 81 |
| Grand Total.... | 804,731 | 6¼ | 1,246,042 | 11⅜ | 2,050,773 | 18 | 69,964 | 225½ | 82,491 | 115 | 152,455 | 340½ |

*Cotton Commissioner's Office, Dharwar,*
*9th May* 1868.

*Presidency; also the Out-turn of the Crop for the season* 1867-68, *as of the previous season.*

FOR THE SEASON.

1867-68.

| Extent of cultivation in Acres. | | | | | | Estimated out-turn in Candies of 784 lbs. of clean Cotton | | | | | | REMARKS. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Of Exotic Cotton. | | Of Indigenous Cotton. | | TOTAL. | | Of Exotic Cotton. | | Of Indigenous Cotton. | | TOTAL. | | |
| Acres. | G. | Acres. | G. | Acres. | G. | Candy. | lbs. | Candy. | lbs. | Candy. | lbs. | |
| 157 | 3 | 190,667 | 28 | 190,824 | 31 | 2 | 236 | 5,755 | 47 | 5,757 | 283 | In the body of the return the figures are given as furnished in the Collectors' statements, but on deducting the 15 per cent. from Dharwar, and ten per cent. from Khandeish, as mentioned at paras. 5 and 6 of the Report, the total crop of the Presidency will amount to 142,676 candies, which is less than that of the preceding year by 9,779 candies. If this deduction had not been made there would have been shown an increase over the total produce of the preceding year of three candies. |
| .... | .. | 11,786 | 16 | 11,786 | 16 | .. | .. | 1,168 | 246 | 1,168 | 246 | |
| 24 | .. | 167,772 | 9 | 167,796 | 9 | .. | 60 | 19,254 | 424 | 19,254 | 484 | |
| 450,383 | 23 | .... | .. | 450,383 | 23 | 40,212 | 641 | .. | .. | 40,212 | 641 | |
| 141 | 24 | 19,885 | 24 | 20,027 | 8 | 8 | 50½ | 837 | 135½ | 845 | 194½ | |
| 2,825 | 11½ | 122,191 | 5 | 125,016 | 16½ | 50 | 492 | 1,858 | 772 | 1,909 | 480 | |
| 300,308 | 26 | 181,485 | 13 | 481,883 | 39 | 27,931 | 460 | 10,469 | 356 | 38,401 | 32 | |
| 10,645 | 5 | 278,582 | 1 | 289,227 | 6 | 1,003 | 648 | 23,515 | 357 | 24,519 | 221 | |
| 10 | 5 | 23,410 | 15 | 23,420 | 20 | .. | 514½ | 1,369 | 503½ | 1,370 | 234½ | |
| 276 | 9 | 35,943 | 39 | 36,220 | 8 | 14 | 028 | 1,274 | 281 | 1,289 | 125 | |
| 9 | 38 | 70,930 | 8½ | 70,940 | 6½ | .. | 98 | 2,167 | 497 | 2,167 | 595 | |
| 68,401 | 37 | 107,903 | 36½ | 176,305 | 37½ | 5,364 | 432 | 6,062 | 113 | 11,426 | 545 | |
| .... | .. | 8,495 | 20 | 8,495 | 20 | .. | .. | 1,253 | 260 | 1,253 | 260 | |
| .... | .. | 22,301 | .. | 22,301 | .. | .. | .. | 2,720 | .. | 2,720 | .. | |
| .... | .. | 8,104 | .. | 8,104 | .. | .. | .. | 102 | 567 | 102 | 567 | |
| 833,273 | 21½ | 1,249,519 | 17 | 2,082,792 | 38½ | 74,580 | 348½ | 77,868 | 639 | 152,458 | 203½ | |

G. F. FORBES,
Cotton Commissioner.

133538

No. 1926 OF 1868.

From H. RIVETT-CARNAC, Esq.,
Cotton Commissioner, Central Provinces and the Berars.

TO THE SECRETARY TO THE CHAMBER of COMMERCE,
Bombay.

*Dated Camp Khangaon, Berar, 10th July* 1868.

SIR,—In continuation of former correspondence, I have now the honour to forward for the information of your Chamber, copy of a statement showing the quantity of cotton sent to Bombay from the Central Provinces and the Berars during the season 1867-68. As the cotton traffic has now ceased, the export returns will be discontinued from this date, a brief memorandum on the state of the weather and the prospects of the crop being forwarded to you in their stead.

2. I have purposely delayed this report, in order that I might compare my figures with the statements prepared by the G. I. P. Railway Company. I find that the returns agree, save in a few instances; but that in taking six "*dokras*," and three half-pressed bales, to the "*kandy*" my calculation has been rather unfavourable to the exports, and that, according to the actual weight shown by the Railway Company, the quantity of cotton exported from these Provinces has been rather above my estimate.

3. The total exports from the commencement of October last up to date are shown in the accompanying Statement:—

| | Full-pressed Bales. | Half-pressed Bales. | Dokras. |
|---|---|---|---|
| By Railway..... | 33,604 | 1,47,444 | 1,41,811 |
| By Road ..... | ..... | ..... | 42,810 |
| Total..... | 33,604 | 1,47,444 | 1,84,621 |

4. Taking the weight according to the figures supplied by the Railway Company, I find that, allowing for tare, this quantity of Cotton represents 2,20,000 Full-pressed Bales or 1,10,000 *Kandies*. Of this 16,000 Bales were supplied by the Central Provinces and 2,04,000 Bales by the Berars, against 54,000 Bales and 2,22,000 Bales furnished respectively by these Provinces during the season 1866-67. The falling off in the Exports will be more clearly seen in the accompanying table:—

*Exports from the Central Provinces and the Berars during the season* 1866-67 *and* 1867-68.

| | Bales. | | |
|---|---|---|---|
| | 1866-67. | 1867-68. | Decrease. |
| Central Provinces ..... | 54,000 | 16,000 | 38,000 |
| The Berars ..... | 2,22,000 | 2,04,000 | 18,000 |
| Total Bales ... | 2,76,000 | 2,20,000 | 56,000 |

These returns show the Bombay traffic only, and do not include the cotton sent Eastward to Mirzapoor, or down the Mahanuddy River to Cuttack. The exports by road include a large quantity of the Nerbudda Valley cotton which crossed the Central Provinces frontier in carts, and is generally loaded on the Railway at Julgaon, or some other station of the G. I. P. Railway below Bhosawul.

5. The weather reports, in which the damage done to the cotton crop by the extraordinary monsoon of 1867 was noticed, and the periodical returns forwarded to you, will have prepared your Chamber to hear of diminished exports from these Provinces. The falling-off in the supplies sent to Bombay is also to be accounted for, in part, by the sudden change that took place early in the season in the Hinguughat trade, considerable supplies having been sent from that market, as already reported to you, to the North-West Provinces and to Bengal, where this cotton seems to be in great favour with the spinners. The exports from the Berars are not very much below those of last season, and the falling-off is doubtless in a great measure owing to the unseasonable rain of January, which, besides ruining much of the ripe cotton, caused considerable damage to the young pods of the second and third pickings.

6. The other noticeable features in this season's traffic are, the progress made in the system of pressing the Cotton up-country, and the improved arrangements of the G. I. P. Railway Company for carrying the traffic to Bombay.

7. In regard to the system of pressing the cotton, it may be noticed that, whereas last season 2 per cent. of the cotton exported from these Provinces by railway was sent down to Bombay in full-pressed bales, 13 per cent. in half-pressed bales, and 85 per cent. in *Dokras*, or loose bags, this season the proportions underwent the following marked change,—Full-pressed bales 20 per cent., half-

pressed bales 54 per cent., Dokras 26 per cent. or in other words, whereas last season but 15 per cent. of the crop was pressed, and 85 per cent. of the cotton sent by Railway went down in loose bags, this year 74 per cent. of the cotton passed through the presses, and but 26 per cent. of the cotton was sent down in dokras.

8. It is perhaps hardly necessary for me to bring to your notice the improved arrangements of the G. I. P. Railway Company for carrying the cotton traffic. The members of your Chamber have already had the most satisfactory proof of the working of the line in the prompt and regular delivery of their consignments. But, inasmuch as last season I had on more than one occasion to complain of the inexcusable manner in which the cotton was delayed at the Railway Stations, I would now desire to bear testimony to the excellence of the arrangements made by the Traffic Department of the G. I. P. Railway this season to meet the requirements of the great trade of these Provinces. The large quantity of pressed cotton doubtless lightened the labours of the Traffic Department, but I am bound to say that ample arrangements were made to meet emergencies, and that even had the whole of the cotton crop been poured into the Railway Stations in loose dokras, the traffic could nevertheless have been managed with comparatively little difficulty. And the promptness with which the cotton, when loaded on the waggons, was carried down to Bombay will not have escaped your attention.

9. This season the cotton had hardly been cleared out of the markets, before the cares with the new crop commenced. The weather has already shown serious symptoms of eccentricity, and the present want of rain is causing no inconsiderable anxiety to the cultivators and all interested in the cotton trade.

10. The heavy rain commenced on the 4th of June, quite ten days earlier than it was expected, as in these Provinces the monsoon seldom breaks before the 14th or 15th of the month. The accompanying figures, for which I am indebted to Dr. Porter, the Civil Surgeon of Akola, will show that the rain-fall during the few days that this wet weather lasted was unusually heavy, upwards of six inches of rain, or nearly one-fifth of the average annual rain-fall, having been registered in eight days. For the first four days the wind was from the N. E., which suggested that perhaps this was not the regular monsoon, but merely a return of the eccentric and unseasonable rain of January. But on the 10th the wind veered round to the S. W. bringing with it a still heavier down-pour, and

| | Inches. | Cents. |
|---|---|---|
| June 4 | 0 | 20 |
| ,, 5 | 0 | 24 |
| ,, 6 | 0 | 5 |
| ,, 7 | 0 | 34 |
| ,, 8 | 1 | 5 |
| ,, 9 | 0 | 50 |
| ,, 10 | 2 | 42 |
| ,, 11 | 1 | 17 |
| | 5 | 97 |

12th June to 10th July no rain registered.

leaving little doubt that the monsoon was upon us. This weather continued until the 11th when the clouds cleared off, and since that date the days have been bright, and hot, and, with the exception of one or two slight showers, no rain has fallen.

11. The sudden rain took most of the cultivators by surprise. They expected at least another week's fine weather before the commencement of the monsoon, and when the rain came down, many of the fields had yet to be got into order before the sowings could be commenced. In most places where the fields were ready, the seed was put in at once, and doubtless a very large proportion of the cotton crop was sown during the first few days of the present break. But, where the work was not so forward, advantage was taken of the fine weather to prepare the fields to receive the next burst of rain, and all further sowings were deferred. For upwards of five weeks now the cultivators have been anxiously expecting the rain, of which, save the few slight showers already noticed, there has been no sign.

12. I fear that this most unusual weather cannot fail to affect, in some degree, the next season's crop of cotton. This morning several intelligent landholders have been here, and they all express alarm for the crops of the autumn harvest. In regard to the cotton, about 10 annas in the Rupee (5-8ths) of the crop, say they, has been put into the ground, and the remainder cannot be sown until the rain falls. The young cotton, on the whole, is doing well; the few days rain was so heavy that the ground was saturated and the heat was thoroughly driven out of it, and thus, they say, the plant has been able, as yet, to stand this long succession of bright hot days. In the light stony soil, which does not retain the moisture well, it has already gone hard with the cotton, much of which is sickly and poor. All agree that rain is urgently required. If it comes within the next four or five days, say they,—the greater part of the crop will be saved; the cotton in the good ground can certainly hold out for a little longer, and as for the fields that have already suffered they can be re-sown. But all agree that this want of rain will tell against the crop. The Deshmook, the head landholder of this place, says truly, that what with the fields that either have yet to be sown, or will require to be resown, a considerable portion of the crop has been thrown back at least a month, and, however favourable the season may yet prove, still the delay in getting the seed into the ground will, he fears, tell in the end, and the plants will hardly be as strong and lusty and fruitful as they might otherwise have been.

13. My own obervation, during my rides in the neighbourhood of this place, confirms the opinions given above. In the good soil the plants look wonderfully well, considering everything. In inferior

ground, decay is already noticeable. Until within just the last day or so the grass on the hills and all the vegetation which followed the down-pour of June kept fresh and bright, showing that, notwithstanding the heat, there has been sufficient of moisture to draw upon. But I have noticed a gradual change in the colouring of the hills, and if the rains keep off much longer, this place will soon resume the well known burnt-up appearance which it presents puring the cotton season, and the cotton crop will hardly be able to hold out much longer than the other vegetation. In fact the next week will be an anxious one. If the rain comes back to us within that time, the cotton will, it is to be hoped, escape serious injury. A continuance for another ten days of the weather we are now having will have the very worst effects.

14. The accounts received from the Central Provinces are, I regret to say, hardly more promising. Whilst in Lower Bengal the weather has been unusually severe, and much harm has, according to all accounts, been caused by the floods, the rain appears to have forsaken North-Western and Central India. The returns from the cotton-growing districts show a few inches of rain early in June, corresponding with the weather in Berar already noticed, but since then there has apparently been a return of the hot weather. Mr. Melville, of the firm of Messrs. Warwick and Co., writing to me from Hingunghat under date the 2nd July says, "We have had a very long break of fair weather. Should it continue much longer, I fear it will result in the loss of the seed already sown. The weather is hot enough now to wither all the young plants."

15. The District reports all mention the great want of rain.

16. You may rely on my keeping you informed of any change that may take place.

I have the honour to be,

Sir,

Your most obedient Servant,

H. RIVETT-CARNAC,

Cotton Commissioner for the Central Provinces and the Berars.

# APPENDIX G.

## COTTON MARKETS IN KHANDEISH.

No. 1401 of 1868.

*Khandeish Collector's Office,*
*Dhoolia, 8th July* 1868.

From G. F. Sheppard, Esq.,
Acting Collector of Khandeish.

To the Secretary of the Chamber of Commerce,
Bombay.

Sir,—I proposed establishing two or more central Cotton Markets in Khandeish during the ensuing season. The success which has attended the establishment of these markets in Berar is, I think, undoubted, but I should nevertheless be much obliged by an expression of the opinion of the Chamber of Commerce.

I have the honour to be,
Sir,
Your most obedient Servant,
G. F. SHEPPARD,
Acting Collector.

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No. 103 of 1868.

Bombay Chamber of Commerce,
*20th July* 1868.

G. F. Sheppard, Esq.,
Acting Collector, Khandeish.

Sir,—I have the honour to acknowledge the receipt of your letter of the 8th instant stating your intention of establishing two or more central Cotton Markets in Khandeish during the ensuing season, and requesting an expression of the opinion of the Chamber thereon.

In reply I am directed by the Committee of Management to state that in their opinion, the intention of establishing central Cotton Markets is excellent, and if carried out in such a manner as may be made to suit alike the convenience of the cultivators, and the dealers and cotton agents, would undoubtedly be a great advantage to all connected with the cotton trade.

The markets in Berar, at Khanghaum, and Oomrawuttee, more praticularly, have been an undoubted success, though there is considerable inconvenience in the distance of these markets from the Railway stations—the former being twelve miles distant, and the latter six from the nearest station.

The Committee are unable to give any opinion as to the most suitable localities in Khandeish for establishing these markets: your own knowledge and experience will in this respect be the best guide, and they would only point out the importance of having these markets established as near to Railway stations as may be consistent with the other interests that have to be taken into account.

I have the honour to be,

Sir,

Your most obedient servant,

JAMES TAYLOR,
Secretary.

# APPENDIX H.

## RENEWAL OF GOVERNMENT PROMISSORY NOTES AT MADRAS AND BOMBAY.

No. 71 of 1868.

Bombay Chamber of Commerce,
*28th May* 1868.

To the Acting Chief Secretary to Government,
Bombay.

Sir,—The attention of the Chamber has been directed to the very great inconvenience to which the holders of Government Promissory Notes in Bombay and Madras are subjected by the delay arising from the necessity for transmitting Notes to Calcutta for renewal. The Committee are informed that the time occupied in the process of renewal is never less than eight weeks, and as during that period the Notes are not available for sale or deposit, it is very clear that the value of the paper is thereby depreciated and the holders subjected to direct loss.

This matter was brought before the Government of Madras in 1859 by the Madras Chamber of Commerce, and the representation of the Chamber was vigorously supported by the Accountant General at Madras, and the Madras Government—in laying the matter before the Government of India: the former having disposed—in the opinion of this Chamber—very effectually of the objections one by one which the Accountant General to the Government of India raised against the proposed innovation.

When the subject was first mooted in 1859, the *enfacement* of Government Notes at Madras and Bombay was not permitted, but on the representations made, this privilege was conceded and the system works without difficulty and has proved to be of very great convenience to the public.

The Accountant General, Madras, further recommended that the local Governments at Madras and Bombay should be permitted to issue new Promissory Notes on the opening of new loans, in lieu of loan acknowledgments, the Notes themselves being supplied as Treasury Bills are, by the Supreme Government, and this recommendation was strongly supported by the Madras Government, at the same time. The inconvenience of the present system was strikingly illustrated by the issuing of the new Debenture loan about eighteen months ago, when parties in Bombay whose tenders were accepted had to wait as long as seven, and eight weeks, before they received their Debenture Notes, holding in the meantime only acknowledgments from the Bank of Bombay which of course were quite unnegotiable.

The principal objections raised by the Accountant General to the Government of India in 1859 to the renewal of Notes at Madras and Bombay, were to the effect that—

*First.*—The division of responsibility as to the scrutiny of endorsements—*second*, a variety of objections in connection with the registers of the Notes as records, and on the score of expense.

In reply to the first objection, it is sufficient to state that the scrutiny of endorsements when Notes are enfaced for interest in England, is *now* left to the Accountants General at each Presidency, and it is difficult to see why the scrutiny of endorsements in the case of "renewals" should not be so left.

A simple and easy change would seem to be from a certain date, say 1st of October next, or any convenient date that may be hereafter arranged, to let Calcutta, Madras, and Bombay have separate registers of all Government Promissory Notes, *the interest* on which is *payable* at the respective Treasuries, *taking no account of any other Notes.* As long as the interest is payable at (say) Calcutta, let the authorities there, "renew," "enface," &c, without advice or reference elsewhere, only when interest hitherto payable at (say) Calcutta is made payable at (say) London or Bombay, let the authorities at these latter places be advised of the change.

This arrangement would, in the opinion of the Chamber, when in working order, considerably reduce instead of increase the expense of establishments.

The Secretary of State for India appears to have already introduced this principle by a notification dated 25th March 1859, which provides that Government Promissory Notes on being registered in a book at the India Office may, *so long as the interest thereon is payable in London,* be sold, transferred or sub-divided, without reference to Calcutta, and should interest thereon again be required to be made payable in Calcutta, it is to be done by means of a certificate to be exchanged there for Promissory Notes.

This appears to be tantamount to "renewal" in London, and disposes of all the objections as to the necessity of preserving the accuracy and value of the original loan registers in Calcutta, and of the necessity of comparison and check which the authorities there dwelt on so much in 1859.

The Accountant General to the Government of India, when minuting on this subject in 1859, said "the delay experienced in the receipt of new Notes at a distance from Calcutta, and in the renewal of old Notes, principally affects the Mercantile Community and speculators in Government Securities, it is of little importance to those who make permanent investments." The singular misapprehension of the real interests concerned in this very important matter displayed by the official person who penned the foregoing passage must, the Committee are anxious to believe, be a thing impossible to meet with in the same class of public servants of the present time; but the writer of the above remarks was not left without a very appropriate answer.

The President of the Madras Chamber in 1859, in replying, most truly said that "In England the Officers of Government are induced to consult, most of all, the convenience of these classes, because it is known that they are the agents for the public and have immense influence, which they can bring to bear on any financial operation."

It is assumed they are not "permanent investors," which is quite a mistake. In no country is it so usual as in this, for merchants and "speculators" to be permanent "holders" of Government securities; but even were this not so, it has been forgotten that other investors can only realize immediately by means of the money dealing classes; so that an inconvenience to the latter immediately reacts on the whole community. And the Accountant General (of India) has entirely omitted to consider that Government is another party interested in the highest degree. The "merchants and speculators" are those who float its loans, who advance money on its paper, and who are in fact such aids to the national Finance, that without their services Government would appeal to the public in vain for assistance.

In respectfully calling the attention of Government to this very important matter, the Committee need hardly point out to His Excellency the Right Honourable the Governor in Council that whatever facilitates the transfer of, or obviates delay and risk in connection with, Government Securities, tends not momentarily or for a time, but permanently to enhance their value.

I am directed therefore respectfully to express the hopes of the Committee that His Excellency the Governor in Council may

be pleased to give this subject his early attention, with a view to moving the Government of India at as early a date as may be practicable, to accede to a proposal which if conceded, will, in the opinion of the Committee, be found to serve as much the interest of Government as it will be convenient and advantageous to the public.

I have the honour to be,

Sir,

Your most obedient Servant,

JAMES TAYLOR,
Secretary.

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No. 1250 OF 1868.

FINANCIAL DEPARTMENT.

*Bombay Castle, 24th August* 1868.

To JAMES TAYLOR, Esq.,

Secretary, Chamber of Commerce, Bombay.

SIR,—In acknowledging the receipt of your letter of the 28th May last, bringing to the notice of this Government the views of the Bombay Chamber of Commerce as to the inconvenience arising from the necessity of sending all Government Promissory Notes to Calcutta for renewal, I am desired by His Excellency the Governor in Council to state that your letter having been referred to the Accountant General, was favourably reported on by Mr. C. E. Chapman and Mr. E. Gay, and has been submitted for the favourable consideration of the Government of India. As soon as a reply is received from the Governor General in Council, its tenour will be communicated to you.

I have the honour to be,

Sir,

Your most obedient servant,

F. R. S. WYLLIE,
Acting Under-Secretary to Government.

# APPENDIX I.

## REVISION OF THE TARIFF VALUES FOR GREY COTTON PIECE GOODS AND YARNS.

No. 160 of 1867.

*Bombay, 22nd October* 1867.

To the Acting Chief Secretary to Government,
Bombay.

Sir,—I am directed by the Committee of Management of the Chamber of Commerce respectfully to call the attention of Government to the present high tariff value for Grey Piece Goods and Yarns, the leading articles in the import trade of the country.

Owing to the very great fall which has taken place in the price of these goods within the last six months, the valuations fixed for duty by Act XVII. of 1867, passed in March last, has become altogether out of proportion to the market rates now ruling.

To enable Government to form an opinion on this point, I have the honour to annex hereto a statement showing the tariff and present market value rates on four representative articles of this description of Goods; viz. (1) 39 inch 7 lbs. Shirtings; (2) 39 inch 8 lbs. Long Cloths; (3) 29 inch 4 lbs. T. Cloths; and (4) 40s Mule Twist. On the first mentioned article, it will be seen by this statement that the tariff rate is an anna and a half per lb. higher than the market rate, making a difference of 11 annas per piece; on the second article the tariff value is one anna per lb. higher than the market value, making a difference of 8 annas per piece; on the third it is half an anna per lb. higher than the market value, making a difference of two annas per piece; and on the fourth article the tariff rate is about two annas per lb. higher than the market rate.

The Tariff Committee, in their report to the Government of India in December last, specially recommended that the values they agreed on "should be subjected exceptionally to revision, as soon as the result of the American Cotton crop for 1867 shall become known." "A further and very marked change," it was also said, "in the position of these important articles of trade (Cotton Piece Goods and Twists) will probably then occur." Though the result of the American Cotton Crop of 1867 is not yet known, enough is known regarding it to show that it will largely exceed the crop of the preceding year, and otherwise the further and marked change in the position of these important articles which the Committee apprehended has already taken place.

Merchants are unanimously of opinion that Cotton Piece Goods and Yarns will now continue gradually to decline in value rather than advance; they have already touched the prices which ruled before the American civil war, when the duty on Shirtings was 9 annas per lb., and the Chamber considers that the time has now arrived when the interim tariff sanctioned under Act XVII. of 1867 should, in the matter of Cotton Grey Goods and Yarns, be subjected to revision.

I am accordingly directed by the Committee of Management respectfully to request that His Excellency the Right Honourable the Governor in Council will do them the favour to place this subject before the Government of India at as early a date as may be practicable, in view to a reduction in the present rates being immediately effected, and I am further directed by the Committee respectfully to express their hopes that His Excellency the Right Honourable the Governor in Council may be able to support the Chamber's recommendations.

I have the honour to be,

Sir,

Your most obedient Servant,

JAMES TAYLOR,

Secretary.

*STATEMENT of Tariff Valuations and Market Values in March and October* 1867.

| Description of Goods. | March and April 1867. | | | | October. | | | |
|---|---|---|---|---|---|---|---|---|
| | Rate. | | Value. | | Rate. | | Value. | |
| | Tariff. | Market. | Tariff. | Market. | Tariff. | Market. | Tariff. | Market. |
| | Annas | Annas. | Rs. a. | Rs. a. | Annas | Annas. | Rs. a. | Rs. a. |
| 30 in; 7 lbs. Shirtings.. | 13 | 13½ | 5 11 | 6 0 | 13 | 11½ | 5 11 | 5 0 |
| 30 in; 8 lbs. L. Cloths.. | 11 | 14¼ | 5 0½ | 7 2 | 11 | 10 | 5 8 | 5 0 |
| 29 in; 4 lbs. T. Cloths.. | 11 | 12⅛ | 2 12 | 3 2½ | 11 | 10½ | 2 12 | 2 10 |
| 40s Mule ..... | 13 | 13 | .... | .... | 13 | 11 | .... | .... |

No. 4185 OF 1867.

REVENUE DEPARTMENT.

*Bombay Castle, 2nd December* 1867.

TO THE SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

SIR,—I am directed to acknowleged the receipt of your letter No. 160, dated 22nd ultimo, relative to the present Tariff values of Grey Piece Goods and Yarns, and to forward, for the information of the Chamber of Commerce, the accompanying copy of a report from the Commissioner of Customs, and of the letter addressed by this Government to the Government of India, on the subject.

I have the honour to be,

Sir,

Your most obedient servant,

H. E. JACOMB,

*For* Acting Chief Secretary to Government.

No. 4184 of 1867..

Revenue Department.

*Bombay Castle, 2nd December* 1867.

From E. W. Ravenscroft, Esq.,
Acting Chief Secretary to the Government of Bombay,

To E. H. Lushington, Esq.,
Secretary to the Government of India,
Financial Department.

Sir,—I am directed by the Right Honourable the Governor in Council to forward to you, for submission to the Government of India, the accompanying copy of a letter* from the Chamber of Commerce, Bombay, soliciting a reduction in the present Tariff rates for Grey Piece Goods and Yarns, together with copy of a report† thereon from the Officiating Commissioner of Customs at this Presidency, and to request that His Excellency the Governor General in Council may be moved to cause a comparison to be made of the market values of Piece Goods at the three Presidency Cities, in view to the revision of the Tariff rates, as was contemplated by the Tariff Committee.

* No. 160, dated 22nd October 1867.

† No. 2619, dated 12th November 1867.

2. The Commissioner of Customs has been requested to prepare full details of the prices prevailing here, and his report will be forwarded to the Government of India as soon as received.

I have the honour to be,

Sir,

Your most obedient Servant,

H. E. JACOMB,

*For* Acting Chief Secretary to Government.

No. 2619 OF 1867.

REVENUE DEPARTMENT.

With reference to the foregoing, the Officiating Commissioner of Customs has the honour to report that, on referring the above to the Assistant Commissioner in charge Import Inspecting Department, Mr. A. G. Maury states "that the market values of Piece Goods and Yarns, as stated by the Secretary to the Chamber of Commerce, are much below the Tariff values, and that consequently the merchants are heavy sufferers."

"Mr. Maury is of opinion that an alteration of the tariff values on Grey Piece Goods and Yarns is desirable. But at the same time it appears to him questionable whether *now* is exactly the right time to make that alteration. According to the admission of the Secretary to the Chamber of Commerce, the object for which the present tariff was made *ad interim* has not been fully attained, viz., the knowledge of the result of the American cotton crop for 1867-68, and, pending a full knowledge of that result, it appears rather premature (unless what the merchants ask for is another *ad interim* tariff) to revise the present rates of Grey Goods and Yarns.

"Mr. Maury does not think that Government will permit a system of *ad interim* tariffs, and for that reason he thinks it would not be to the advantage of the merchants to have the present rates altered and new ones fixed on the basis of the present market values, which are not equal to those ruling previous to the American war, and which may naturally (with the calculated increase of American cotton in England) be expected to have a further decline. If then the *ad interim* system is disallowed, and the tariff made (as it is usually for a period of from three to five years), the values being based upon the present rates, merchants will be heavy losers; whereas if the alteration is deferred until the result of the American cotton crop is known, the rates (on the assumption of a fall in the value of cotton in England) will be much lower, and allow of lower figures being fixed for the tariff.

"The result of the cotton crop must be known in a month or two, for which period Mr. Maury is of opinion that it would be more to the advantage of the merchants to defer the alteration of the present tariff."

2. The Officiating Deputy Commissioner of Customs, P. D., in concurring with Mr. Assistant Commissioner Maury, writes that "the tariff cannot, without great practical inconvenience and loss to traders, be modified frequently at short intervals. The present tariff has been in force but a short time, and the period (the time

at which the result of the American cotton crop will be known) which was fixed for its revision as to cotton goods is near at hand. To make a previous revision which almost certainly will have to be re-revised will cause great disturbance in the market, and as much loss to some as it will gain to others."

3. The Officiating Commissioner of Customs in forwarding the above opinions has the honour to report that the Tariff Committee of 1866, anticipating the unsettled state of the Cotton Piece Goods market in paragraph 4 of their report to the Government of India quoted in the margin, stated that, "following the current rates, which are still very low, the values now assigned have been considerably reduced from the former tariff rates, and sufficient relief will thus be afforded to meet the immediate exigencies of the case. The Committee further desire specially to recommend that these values should be subjected exceptionally to revision as soon as the result of the American cotton crop for 1867 shall became known. A further and very marked change in the position of these important articles of trade will probably then occur, and the present state of the cotton market cannot, therefore, be taken as a guide in fixing the valuations, which will ordinarily be followed until another general revision of the tariff."

*Vide* accompaniment to Mr. Lane's letter to Government of India No. 46, dated 7th January 1867, Financial Department.

4. Although the Officiating Commissioner of Customs would not advocate another *ad interim* tariff, yet by the time information is collected from the Madras and Calcutta markets the period will have arrived which was contemplated by the Tariff Committee, and a comparison of the rates in the three Presidency Cities will enable the Government of India to revise the present values of Piece Goods.

A. F. BELLASIS,
Officiating Commissioner of Customs.

*Bombay, Office of Commissioner of Customs,*
*12th November* 1867.

No. 286 OF 1868.

REVENUE DEPARTMENT.

*Bombay Castle, 23rd January* 1868.

TO THE SECRETARY TO THE CHAMBER OF COMMERCE,

Bombay.

SIR,—With reference to my letter No. 4185 dated 2nd ultimo, I am directed to forward, for the information of the Chamber of Commerce, the accompanying copy of a communication received from the Government of India and of its enclosure on the subject of the revision of the import tariff values of Grey Piece Goods and Yarns.

I have the honour to be,

Sir,

Your most obedient Servant,

H. E. JACOMB,

*For* Acting Chief Secretary to Government.

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TO THE CHIEF SECRETARY TO THE GOVERNMENT OF BOMBAY.

*Fort William, the* *January* 1868.

SIR,—With reference to your letter No. 4184, dated 2nd December 1867, forwarding a representation from the Chamber of Commerce, urging a revision of the present Tariff rates for Grey Piece Goods and Yarns, I am desired to forward a copy of a letter to the Government of Bengal, No. 3216, dated 20th December 1867.

I have the honour to be,

Sir,

Your most obedient Servant,

E. H. LUSHINGTON,

Secretary to the Government of India.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

Enclosure to Letter No. 121 of 1868.

*No.* 3216, *dated* 20*th December* 1867.

From E. H. LUSHINGTON, Esq.,
Secretary to the Government of India,
Financial Department.

TO THE SECRETARY TO THE GOVERNMENT OF BENGAL.

In reply to Junior Secretary Mr. Harrison's letter No. 4336, dated the 2nd instant, I am desired to state that the Governor General in Council awaits an early expression of the opinion of the Board of Revenue on the application of the Bengal Chamber of Commerce, for an immediate revision of the import tariff values of British Piece Goods and Yarns. The Board should also state their views as to the expediency of temporarily abandoning in the present uncertain state of the market, the plan of a fixed or tariff value on Piece Goods of the class known as Greys, and of levying the duty according to market value of the day.

(True Copy.)

R. H. HOLLINGBURY,
Assistant Secretary to the Government of India.

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No. 19 OF 1868.

*Bombay*, 10*th February* 1868.

To E. RAVENSCROFT, Esq.,
Acting Chief Secretary to Government,
Bombay.

SIR,—I have the honour, by direction of the Committee of Management of the Chamber of Commerce, to acknowlege the receipt of your letter No. 286 of 1868, dated 23rd ultimo, enclosing, for the information of the Chamber, copy of a letter from the Secretary to Government of India, Financial Department, to the Government of Bengal, on the subject of the revision of the import tariff values of Grey Piece Goods and Yarns.

In reply, I am to point out that the proposal " of temporarily abandoning in the present state of the market, the plan of a fixed or tariff value on piece goods of the class known as Greys, and of levying the duty according to market value of the day" on which the Bengal Board of Revenue are to be requested to state their views, is, in the opinion of this Chamber, open to serious objection.

This plan would in practice be found very inconvenient, and lead to endless disputes between importers and the Customs authorities. The system of levying duty at the market value of the day does very well in regard to fancy goods, which do not change suddenly in value, but, as is well known to merchants and dealers in the trade, Grey Piece Goods fluctuate almost daily, and on that account a carefully fixed tariff value is more suitable, while it is at the same time fair alike to Government and the importers. The Chamber does not consider the state of the market at present by any means so uncertain as to prevent the fixing a tariff rate, but, on the contrary, believes it to be a most suitable time for doing so—and I am respectfully to request His Excellency the Governor in Council will do the Chamber the favour to have these views placed before the Government of India as promptly as possible, and the Committee trust these views will also receive the support of Government.

I have the honour to be,

Sir,

Your most obedient servant,

JAMES TAYLOR,
Secretary.

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No. 1340 OF 1868.

REVENUE DEPARTMENT.

*Bombay Castle, 7th April* 1868.

TO THE SECRETARY TO THE CHAMBER OF COMMERCE,

Bombay.

SIR,—With reference to Mr. Acting Chief Secretary Ravenscroft's letter No. 285, dated 23rd January last, I am directed to forward for the information of the Chamber of Commerce the accompanying copy of a letter* from the Government of India to

* No. 1803, dated 28th March 1868.

the address of the Government of Bengal, and of the communication therein referred to; from which it will be seen that the proposed revision of the existing tariff on Cotton Goods has been allowed to be postponed.

I have the honour to be,

Sir,

Your most obedient Servant,

F. R. S. WYLLIE,
Officiating Secretary to Government.

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No. 1868.

FINANCIAL DEPARTMENT.

TO THE SECRETARY TO THE GOVERNMENT OF BENGAL.

SIR,—In reply to the communication from your Office, No. 933, dated the 19th instant, I am desired to state, that under the circumstances explained, the proposed revision of the existing tariff on Cotton Goods may be postponed.

2. The consideration of the other matters mentioned in paragraph 2 of my letter No. 1259, dated the 27th February 1868, may also be deferred.

I have, &c.,

E. H. LUSHINGTON,
Secretary to the Government of India.

*Fort William, the 28th March* 1868.

A copy of this letter, and of the communication from the Government of Bengal dated 19th March 1868, sent to the Government of Bombay, in continuation of the letter from this Department, No. 121, dated 14th January 1868.

J. E. COOKE,
Assistant Secretary to the Government of India.

To the Junior Secretary to the Government of Bengal.

*Dated Fort William, the 14th March* 1868.

Sir,—We have the honour to acknowledge the receipt, on the 12th instant, of your letter to our address, dated 6th instant, appointing us, with Mr. Henderson, to form a Committee for the purpose of revising the existing Tariff on Cotton Goods.

2. The Committee were to have met yesterday, but Mr. Henderson was too ill to attend, and the Committee therefore met to-day.

3. Mr. Henderson had previously sent the accompanying statement to Mr. Crawford, from which the Lieutenant Governor will perceive that, speaking for the Chamber of Commerce in Calcutta, Mr. Henderson thinks that there is no necessity now for revising the existing Tariff. The prospects of the Cotton Market are now much changed since the letter of the Chamber to the address of the Government was written, and that with reference to the rise in the price of Cotton and Piece Goods since that date and to the uncertainty of the crop now on the ground, Mr. Henderson is of opinion that the Tariff should remain as it is, and that when the market becomes more settled, the Tariff may be revised if necessary.

4. Mr. Crawford has heard similar statements regarding prices, &c., from several merchants, with whom he has spoken on the subject.

5. Under these circumstances, we have thought it right to lay the matter at once before the Lieutenant Governor. In the meantime we have refrained from entering upon the consideration of the other matters mentioned in the 2nd paragraph of the letter of the Government of India, No. 1269, dated 27th ultimo, as it is possible no inquiry into them will be considered necessary should that upon the Import Tariff Schedule be postponed as suggested by Mr. Henderson.

We have the honour to be, &c.,

E. T. TREVOR,
J. A. CRAWFORD.

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When the Bengal Chamber of Commerce, following the lead of the Bombay Chamber, called attention in November last to present Tariff value as fixed in 1867 with a view to their reduction in consequence of the great fall in Cotton and Cotton manufactures, the

statements then brought forward in favour of a revision of the existing Tariff values were, no doubt, fully warranted by the altered position of the raw material.

Supplies of Cotton, particularly from America, had largely increased, and there seemed no reason to doubt that from other countries shipments of the staple would be continued on an average scale. The article was in consequence rapidly approaching its normal price before the American war, and values of cotton manufactures fell in sympathy; indeed, such was the anxiety evinced to realize, that many Importers in this market were selling largely for arrival at about the rates current before the American war, thinking, no doubt, that by so doing they were acting judiciously for their own interests or those of their constituents.

The Cotton market, however, has not followed the course laid down for it in November last. Supplies from America have not been so large as were generally anticipated; from other countries they have been rather under than over those of the year previous, and with the prospect of a reduced cultivation in the States, Cotton has for some time past been attracting considerable attention, and not only have stocks been reduced to a minimum in England, but prices have been rapidly advancing. Fair Bengal having risen from 4½ to 7½ per lb., and other descriptions nearly in proportion.

Values of Piece Goods, in the Indian Markets, have advanced considerably during the same period, or since the application of the Chamber of Commerce for a revision of the Tariff values, and the present market values of Grey Goods are now generally above the rates fixed by Act XVII. of 1867.

As the difference between the market and Tariff values is at present so slight, and the course of the Cotton Market so uncertain, I am of opinion that no modification is at present desirable, for it would, I think, be almost impossible at present to arrive at a satisfactory basis for the settlement of fixed values alike fair and equitable to the Government and the importer.

I am quite of opinion that Act XVII. should be revised and modified as early as possible, and I would take the liberty of suggesting that as soon as the value of Cotton is again steady, the present Committee be thus requested to take up the question of revised Tariff values for Cotton Piece Goods.

J. H. HENDERSON.

*Calcutta, the 13th March* 1868.

No. 933.

Copy forwarded to the Government of India, in the Financial Department, for consideration and orders, with reference to their letter No. 1217, dated the 25th ultimo.

By order of the Lieutenant Governor of Bengal,

THOMAS JONES,

Assistant Secretary to the Government of Bengal.

*Fort William, the 19th March* 1868.

# APPENDIX J.

## WET DOCKS IN MODY BAY.

No. 1036 C. W.—3028 OF 1867.

PUBLIC WORKS DEPARTMENT.

*Bombay Castle, 21st December* 1867.

Letter from A. F. Bellasis, Esq., Chairman of the Wet Dock Committee, No. 2371, dated 14th October 1867.

Forwards the Wet Dock Committee's Report for submission to His Excellency the Right Honorable the Governor in Council.

RESOLUTION.—This report, and its appendices, place the subject before Government very fully and clearly.

2. The papers comprise a report, and a dissent, with minutes of evidence, and various illustrative documents.

3. There are five signatures to the report, and the same number to the dissent, and the gentlemen who thus record their views are not only numerically equally divided, but very equally represent the different interests of the general community.

4. There are in favour of docks :—

The Commissioner of Customs.
The Agent Great Indian Peninsula Railway Company.
The Agent Peninsular and Oriental Company.
A Merchant.
An Engineer.

Against them :—

The Government Consulting Engineer for Railways and Reclamations.
The Agent Bombay, Baroda, and Central India Railway.
An Officer of great experience in the Peninsular and Oriental Company's service.
Two Merchants.

5. Mr. Adams, a member who attended the earlier meetings of the Committee, but was not present when the report was drawn up, has left on record his opinion, adverse to docks, for reasons very clearly stated.

6. Taking this gentleman's vote into consideration, the majority is against the construction of docks.

7. It now devolves on Government to state its conclusions on a perusal of these papers.

8. As an abstract consideration, it is incontrovertible that docks are better than mere landing quays; but the particular case in point does not present itself in this simple form—it involves several very grave matters for discussion before practical effect can be given to the view which at first seems obvious.

9. The question of first outlay is not so much involved; for it is clear that something is absolutely necessary to improve the present landing facilities; and the probable cost of docks, though considerable, is not greatly in excess of that which would be involved by an efficient system of boat basins and quays.

10. The cost of docks is estimated at 176 lakhs of rupees, and that of boat basins at 171 lakhs of rupees; but the former would necessitate the construction of seamen's barracks for the crews of ships in dock, and would absorb an additional area of about 16 acres of land, worth a large sum.

11. The comparative outlay would therefore stand as follows:—

| | Lakhs. |
|---|---|
| Docks | 176 |
| Value of additional 16 acres of land required, at 25 rupees per square yard (the very lowest sum at which it could be reckoned.) | 20 |
| Seamen's barracks | 12 |
| | 208 |
| Boat basins | 171 |
| Difference in favour of Boat basins | 37 |

12. This difference is probably, however, not sufficient to decide the question in favour of boat basins, if it could be shown that the practical advantages of docks, as regards the trade, would be considerable, and that they are free of drawbacks in other important respects.

13. Appendix A purports to give a comparative statement of the charges for landing, and shipping, a cargo of 1,600 tons in docks, or by means of proper boat basins.

14. The calculations are admitted to be only conjectural, but may be taken as the best basis available, and from them it appears that, as compared with improved arrangements for bunder accommodation, and lighterage, the cargo above mentioned could be landed in a wet dock at a saving of Rs. 868.

15. Supposing, then, these docks to be used during the year by 250 one thousand tons vessels, each discharging 1,600 tons of cargo, that is, by about 5-12ths of the tonnage in square-rigged vessels and steamers using the Port (see returns for 1865-66), the saving to the trade generally would be Rs. $868 \times 250 =$ Rs. 2,17,000.

16. For shipping a cargo of cotton according to the Committee's calculation, the cost would be :—

| | | |
|---|---|---|
| In the stream ..... | Rs. | 7,894 |
| In dock ..... | ,, | 7,464½ |
| | | 429½ |

17. The advantage in favour of the docks would, therefore, be $429\frac{1}{2} \times 250 =$ Rs. 1,07,375.

18. The total benefit to the trade, according to these computations, would therefore be 2,17,000 + 1,07,375 = say 3¼ lakhs per annum, including all calculations for loss by damage, pilfering, &c., and as it relates to a total quantity of 800,000 tons of merchandize, it would amount to 6½ annas per ton.

19. But as 500,000 tons, the nominal tonnage of the 250 one thousand tons vessels that it is calculated would load and unload in the docks during the year, is about 1-5th of the amount of tonnage of all descriptions, in square-rigged vessels, and native craft, that according to the return for 1865-66 used the Port, and as the value of the exports and imports during that year, exclusive of re-exports, was 71 millions sterling, that portion of the trade which it is calculated would use them, would benefit by the docks to the extent of about ·23 per cent. on the value of the merchandize, or rather less than half a pie in each rupee.

20. If, therefore, good bunders are provided, and an efficient system of lighterage, such as the Committee contemplate, is established, the want of docks, instead of such arrangements, can hardly be considered as imposing an appreciable burden on the trade : any very strong argument in favour of docks must therefore be based on

other than financial reasons, as far as the general commerce of the Port is concerned.

21. As regards time, the Committee assume, according to Appendix A, that with improved wharfage and lighterage accommodation, no saving could be effected in this respect by the construction of docks, in loading or unloading.

22. As engineering works, both docks and boat basins are practicable; but in order to admit of safe access to the former a breakwater is necessary, and a solid projection has been proposed in the scheme now before Government, to which the members who dissent take strong exception, on the ground that such a work would interfere with the Harbour currents, induce deposits of silt, and injure neighbouring public and private property.

23. Mr. Robert Stevenson, when reporting on docks in the same situation, some years since, wrote as follows:—

"In order to obviate the objection to the exposed position of the entrance, the curved breakwater above mentioned is suggested; this breakwater, however, must either be a work constructed at a considerable cost on arches, or other openings up to about the level of low water mark, or solid, when it would act as a mud-trap, and impede, instead of faciliating the passage to the entrance to the dock."

"In the formation of arches, or openings in the breakwater on a rock foundation, covered, for a thickness of five or six feet with mud, and in an exposed position, the necessary cofferdam would be found to be a work attended with some difficulty and very considerable outlay; indeed the question of the use of the ordinary cofferdams on any part of the construction of the docks is a matter demanding the most serious consideration."

24. Government entertain no doubt of the soundness of the view here taken by this eminent Civil Engineer, who considered a solid breakwater objectionable; it would, however, as suggested by Mr. Stevenson, be practicable to construct this protection of open work, though this arrangement would add considerably to the cost and difficulty of the undertaking.

25. Both sections of the Committee are alive to the difficulty of the problem before them, in its sanitary aspect; but the gentlemen who sign the report profess themselves ready to run some risk in this respect if the commercial interests of the City demand it. What those commercial interests, on a rough calculation, would be likely to amount to has been noticed above, and Government are inclined to concur with the members who dissent, that the sanitary question is disposed of too easily.

26. No safe argument can be derived from the circumstances of docks in England, though even there the neighbourhood of large docks is usually avoided by those who have any choice, and it is not sound reason, in the opinion of Government, to infer that because the medical gentlemen who were consulted have no actual experience of docks, they are unable to form a reliable judgment of the effect of a tropical sun on stagnant, and more or less foul, water.

27. It would be impossible for the crews to remain berthed on board ships in dock, and this appears to be generally admitted; but whatever barrack accommodation may be provided for them, it would be necessary to locate it immediately in the neighbourhood of the docks, and therefore probably within the influence of any malaria generated by them.

28. But it is not only as regards the crews of the ships that this portion of the subject calls for careful consideration; the existence of closed docks might seriously affect the health of all that portion of the Native Town and Fort which, for a considerable part of the year, lies to leeward of them, and medical testimony goes to show that this result is to be feared.

29. There is great force in the remark, by that section of the Committee which dissent, that the health and vigour of the crew is the security of the ships; and it is quite clear that the arguments derived from sanitary considerations, which are perhaps more important than any other, are adverse to docks.

30. As regards discipline, there is no doubt that the same amount of riot and license need not be expected from a body of men habitually on shore, as of a few men on short leave of absence from their ships; and, therefore, in the opinion of Government, the opponents of docks cannot base any strong argument on this section of the subject; but it is equally clear, that command of crews can better be maintained while ships are lying in the stream, and that if a large body of seamen were located within easy reach of the Native Town some additional Police force would be required.

31. Government do not consider it requisite now to discuss the financial arrangements that would be needed for the execution of docks. Enough has been said to show that the conclusion at which they have arrived, is, that wet docks are not (at present at least) practicable at Mody Bay, or in any situation on that part of the foreshore of the Harbour.

32. But though they have felt constrained to adopt this view, Government are far from being satisfied that an improved system of boat basins only would meet the requirements of the trade; they are of opinion that a sufficient area of tidal basin, such as that

suggested by Mr. Ormiston, and advocated by the section of the Committee that dissents, should be constructed in addition to the boat basins already contemplated; and provision should be made accordingly in the revised project for wharf accommodation.

33. Government consider that the letter from Commodore Heath, which is attached to the Committee's report, very clearly, concisely, and ably deals with the question, and they concur in the general conclusions drawn.

34. The thanks of Government are due to Captains Methven and Parish, for their communications on the subject.

35. The Committee's report has been very well and carefully prepared, and the information has been brought out in a manner that leaves little to be desired, and Government are greatly indebted to the gentlemen who have given their time to this duty, and to them His Excellency in Council now desires to offer his thanks.

# APPENDIX K.

## COMPULSORY REGISTRATION OF PARTNERSHIPS.

No. 14 of 1868.

*Bombay, 25th January* 1868.

To the Secretary to Government,
Judicial Department, Bombay.

Sir,—With reference to your letter No. 2429 of 1867, dated 17th August, forwarding copy of a letter from the Secretary to the Government of India, submitting copy of a letter from Mr. Whitley Stokes, Assistant Secretary to Government of India, Legislative Department, addressed to the Bengal Chamber of Commerce, on the subject of a Compulsory Registration of Partnerships, and requesting the opinion of this Chamber on certain points noted therein, I have the honour, by direction of the Committee of Management, to state in reply :—

That as the chief object of a compulsory registration of partnerships is to reduce the risk attendant on the transaction of business on the part of European Houses with Native firms by placing it within the power of such Houses to find out the individuals with whom they are actually trading, and to ascertain exactly who they can hold responsible in any particular transaction, and to afford a ready mode of proving who are the parties responsible;

The Chamber is of opinion that all that would be necessary or desirable in a compulsory registration of partnerships would be the names, ages, and residences of the persons composing the firm, and the style of the firm, and place or places of business.

To require the further particulars enumerated in the 7th paragraph of Mr. Whitley Stokes' letter would, in the opinion of the Chamber, be unnecessary for the protection of trade, and would otherwise be an inquisitorial and unwarrantable interference with the conduct of private mercantile business.

As a very large amount of the business of Native firms is carried on in Bombay by moonims or mehtas authorised to sign the firm, the Chamber would recommend in addition to the registration of

partners, the registration of the names, ages, and residences of all persons authorised by power of attorney or otherwise to sign the names of firms.

All changes in any firm, by the interest of any member ceasing, or by the assumption of a new member, would of course be registered, inasmuch as the firm, having changed its constitution, would have to be registered afresh.

The Chamber is of opinion that penalties for non-registration are unnecessary; it is believed that the introduction of a clause into the Bill, resembling the French provision referred to by Mr. Stokes, the effect of which would be to make the partners in the firm the only sufferers from their neglect to register, would meet all the requirements of the case, and non-registration would carry its own punishment in the withdrawal of credit from firms failing to register.

Regarding paragraph 8 of Mr. Whitley Stokes' letter, the Chamber is of opinion that the Act should be framed in such a manner as to prevent its affecting the position of persons "who become partners by construction of law for the purpose of sharing in the liabilities of insolvent firms."

It is further the opinion of this Chamber, that in view of the difficulties that would beset the introduction of such a system of registration in the Mofussil, it may be expedient for the present to confine the measure to the Presidency Towns and such other centres of trade as from their importance may seem also to require it.

The subject of a compulsory registration of Deeds of Gift and Trusts earnestly advocated in the Memorial from the Native Merchants and Bankers which I had the honour of submitting to Government with my letter last year on this subject is, in the opinion of the Chamber, a matter of very great importance, but as it is entirely a separate matter from the question of a compulsory registration of partnerships, I shall deal with the subject in a separate communication.

Meantime I am to request you will have the goodness to submit this communication to Government with all convenient despatch, in order that the same may be laid before the Government of India in view to immediate legislation. And trusting the views of the Chamber may have the cordial support of His Excellency the Governor in Council,—

I have the honour to be,

Sir,

Your most obedient Servant,

JAMES TAYLOR,

Secretary.

No. 613 OF 1868.

*Bombay Castle, 2nd March* 1868.

JUDICIAL DEPARTMENT.

SIR,—With reference to your letter dated the 25th January last, I am directed by the Right Honourable the Governor in Council to forward herewith copy of a letter from the Under-Secretary to the Government of India, No. 85, dated 24th February 1868, conveying the thanks of the Government of India to the Chamber of Commerce, for the expression of their opinion on the subject of the Compulsory Registration of Partnerships.

I have the honour to be,

Sir,

Your most obedient Servant,

W. WEDDERBURN,
Under-Secretary to Government.

TO THE SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

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HOME DEPARTMENT, LEGISLATIVE.

From A. P. HOWELL, Esq.,
Under-Secretary to Government of India.

TO THE UNDER-SECRETARY TO THE GOVERNMENT OF BOMBAY.

*Dated Fort William, the 24th February* 1868.

SIR,—I am directed to acknowledge the receipt of your letter No. 382 dated 5th instant, with enclosure from the Bombay Chamber of Commerce, furnishing certain information on the question of the Compulsory Registration of Partnerships.

2. I am to request that the thanks of the Government of India may be conveyed to the Chamber of Commerce for the expression of their opinion, and to state that their communication will be considered in the Legislative Branch.

I have the honour to be, &c.,

A. HOWELL,
Under-Secretary to the Government of India.

# APPENDIX L.

## THE INDIAN SHIPPING BILL.

No. 700 OF 1868.

JUDICIAL DEPARTMENT,

*Bombay Castle, 9th March* 1868.

SIR,—The amendment of the Law relating to Merchant Shipping being now under the consideration of Government, I am directed to to state that Government will be glad to be favoured with the views of the Chamber of Commerce on that subject.

I have the honour to be,

Sir,

Your most obedient Servant,

W. WEDDERBURN,

Under-Secretary to Government.

TO THE SECRETARY TO THE CHAMBER OF COMMERCE,

Bombay.

No. 59 OF 1868.

*Bombay, 11th May* 1868.

W. WEDDERBURN, Esq.,

Under-Secretary to Government, Bombay.

SIR,—Referring to your Memorandum of the 4th instant, and of previous dates, on the subject of the Bill for the amendment of the law of Merchant Shipping, now before the Legislative Council of His Excellency the Viceroy, I regret to find that no intimation in writing has hitherto been forwarded to Government regarding the views of the Chamber on the subject.

The Bill has been carefully considered by the Chamber, and as the various clauses are framed according to the English Merchant Shipping Act of 1854, the Committee of Management are of opinion that the proposed Bill is on the whole well-suited to the requirements of the shipping interests of this country, and adapted to the wants of this port, and I have been directed to report to Government to this effect accordingly.

Referring, however, to Part V. of the Bill, which deals with the subject of inquiries into wrecks, &c., the Chamber is strongly of opinion that on all Marine Courts of Inquiry held in Bombay, there ought to be at least two persons conversant with Marine affairs appointed to act with the Magistrate.

At present the custom is to have only one, and this throws so much responsibility on the only person conversant with nautical affairs, that rather than accept the responsibility of condemning neglect of discipline, or bad seamanship, delinquents are sometimes favoured where the course of justice would have called for a very different verdict. Representations have been made to the Chamber regarding the unsatisfactory character of these Courts as at present conducted by a single Magistrate and only one other person of nautical experience to assist him in the investigation: there can be no difficulty in finding in Bombay at any time a sufficient number of persons possessing such a knowledge of maritime affairs as would fit them for serving on Marine Courts of Inquiry, and the Committee desire respectfully but earnestly to press this point on the attention of Government, in view to these Courts being formed in such a manner as will command the respect of the various important interests concerned.

I have the honour to be,

Sir,

Your most obedient Servant,

JAMES TAYLOR,

Secretary.

# APPENDIX M.

## INCREASE IN THE OVERLAND RATES OF POSTAGE.

### No. 30 of 1868.

### INCREASE IN THE RATES OF POSTAGE BETWEEN ENGLAND AND INDIA OVERLAND.

To the Honourable the Commons of Great Britain and Ireland in Parliament assembled.

### THE PETITION OF THE BOMBAY CHAMBER OF COMMERCE.

Humbly Sheweth,—

That your petitioners are a body of merchants and bankers at Bombay, deeply interested in every measure tending to facilitate intercourse with, and promote the commercial and public interests of, England and India.

That your petitioners learned with high satisfaction that your Honourable House had recently consented to the establishment of Weekly Mail Communication between England and India on a fixed day of the week, thereby supplying a want which has been long felt as a first necessity in the satisfactory transaction of business between the two countries.

That your petitioners have, with equal astonishment and regret, been recently made acquainted with an announcement put forth by the Post Master General of Bombay, under instructions from Her Majesty's Post Master General, London, to the effect—that from the 1st March instant the Postage on all letters sent between England and India viâ Southampton will be raised from six pence or four annas, to nine pence or six annas per half ounce; and on those viâ Marseilles from ten pence, or six annas eight pies, to one shilling and a penny, or eight annas eight pies per half ounce.

That this change from the present rates of Postage amounts to an increase of fifty per cent. on letters viâ Southampton, and of thirty per cent. on letters sent viâ Marseilles.

That this order of Her Majesty's Post Master General will operate as a heavy tax on the commercial interests which so intimately connect England and India, and entail a heavy pecuniary burden on the many thousands of persons in both countries deeply interested in whatever tends to facilitate communication and intercourse between them.

That the unwise policy, thus unexpectedly inaugurated, is entirely opposed to the policy which, during the last thirty years, by reduction in rates and increase of facilities in the means of postal communication, both external and internal, has been productive of such beneficial results.

That this retrograde policy is not justified by any argument that can weigh against the commercial, social, and political objections that may be urged against it.

That if persisted in, it will have the effect of neutralising to a great extent, the many advantages which otherwise may reasonably be expected to flow from the newly-established weekly communication.

That the only reasonable pretext your petitioners can imagine for the course that has been taken, is a possible loss of trifling magnitude that may perhaps accrue from the establishment of an increased and more efficient postal service; but your petitioners cannot admit such a reason to have force when,—to use the language of a late Secretary of State for India,—"it has been the bearing of increased postal communication on the wealth and progress of a country, that has induced statesmen of late years to consent to fiscal sacrifices for the purpose of obtaining it."

Your petitioners therefore humbly pray that your Honourable House, in view of the important interests injuriously affected by the recent order of Her Majesty's Post Master General, may cause the same to be rescinded.

And your petitioners, as in duty bound, will every pray.

In the name and on behalf of the Bombay Chamber of Commerce,

GEORGE FOGGO, Chairman.

JAMES TAYLOR, Secretary.

*Bombay Chamber of Commerce, 6th March* 1868.

No. 29 OF 1868.

*Bombay, 6th March* 1868.

WILLIAM GRAHAM, Esq., M.P.,

House of Commons, London.

SIR,—I have the honour, by direction of the Committee of Management of the Bombay Chamber of Commerce, to forward herewith a petition to the House of Commons against the resolution come to by Her Majesty's Post Master General, London, to raise the postage on letters between England and India, and to request the favour of your presenting the petition on behalf of the Chamber.

The Committee trust you will at the same time use your influence to get the very objectionable resolution rescinded.

The petition has been hastily prepared, but it has been deemed expedient not to delay for another mail before sending it off.

I have the honour to be,

Sir,

Your most obedient Servant,

JAMES TAYLOR,
Secretary.

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44, *Grosvenor Place, London, April 9th*, 1868.

TO JAMES TAYLOR, Esq.,
Secretary Chamber of Commerce, Bombay.

SIR,—I have the honour to acknowledge your letter of 6th March, accompanying a petition to the House of Commons against the increase of Overland Postage, which I have had the honour of presenting, and I shall not fail to support it by any influence in my power.

I have the honour to be,

Sir,

Your most obedient Servant,

WILLIAM GRAHAM.

# APPENDIX N.

## PROPOSED EXTENSION OF THE B. B. & C. I. RAILWAY TO VEERUMGAUM.

BOMBAY CHAMBER OF COMMERCE,

*Bombay, 20th March* 1868.

To Colonel M. K. KENNEDY, R.E.,
Secretary to Government, Railway Department,
Bombay.

SIR,—The subject of a proposed extension of the Bombay, Baroda, and Central India Railway from Ahmedabad to Veerumgaum, having been under the consideration of the Chamber, I am directed by the Committee of Management to lay before Government their views on a question which is one of very great importance to the Commercial interests of this part of India.

The existing line of this Company as completed from Bombay to Ahmedabad, has not answered the expectations that were formed regarding it while still under construction, when it was looked forward to as likely to be the means of opening up the resources and bearing the main portion of the traffic of the richest province under the rule of the Government of Bombay.

The causes of public disappointment in this respect are not difficult to find; the Railway throughout its entire course is subjected to a sea competition unexampled for its facilities and its severity; while by stopping short at Ahmedabad, the Railway is cut off from the cotton and other produce of the upper portion of the rich province of Kattiwar that lies beyond to the West and North-west of the Suburmutty River.

To meet the wants felt in reference to this important district, and give the Railway the benefit of a large traffic, from which it is at present completely cut off, it is proposed to extend the Railway from Ahmedabad to Veerumgaum, a distance not greatly exceeding 40 miles; an extension across the river has already been sanctioned,

so that the proposed line from the North-west bank of the Suburmutty to Veerumgaum will not be more than 37 miles.

There are no engineering difficulties connected with the proposed line; it will run the whole distance through British Territory, and the entire cost of construction will be less than £300,000.

By constructing this short extension, the main line will be connected with a town of considerable importance in itself and the centre of a rich district of country for many miles round, and which must ultimately become the chief depôt of the important Cotton trade of the British portion of Kattiwar.

Already there are Cotton pressing establishments at Veerumgaum from which pressed Cotton is sent to Ahmedabad, a distance of more than forty miles, for further transmission to Bombay, notwithstanding the inconvenience of the long cartage distance, and the heavy cost for cartage charges; and if the places were once connected by a Railway there can be no doubt such establishments would be rapidly increased and the greater portion of the Cotton grown in those districts would be pressed and brought the whole distance by Railway to Bombay.

The Chamber has reason to believe that if this extension be carried out the Kattiwar Chiefs will at their own cost construct a line that will connect Wudwan with Veerumgaum, and thus open up a large and fertile district with which trade is at present carried on under many disadvantages from imperfect means of transit.

The proposed extension of the Bombay, Baroda, and Central India Railway from Ahmedabad to Veerumgaum is commended to the Chamber by the benefits it may be expected to confer on the important district of country it will pass through,—by the prospect it affords of opening up for purposes of extended trade and commerce the rich province of Kattiwar, and of inducing the chiefs of that country to supplement the present proposal by a line to be made at their own expense to connect British with Native territory,—by the advantages it will confer as a feeder of the main line by increasing the amount of traffic to an extent that may have the effect of lightening in a most material degree the burden of the Government 5 per cent. guarantee,—and by the comparatively small outlay at which these signal advantages may be obtained.

I am therefore respectfully to express the hopes of the Committee that these views of the Chamber on a question of great importance to the Commerce of this part of India, may meet with the approval of His Excellency the Right Honourable the Governor in Council, and that he will do the Chamber the favour to represent these views

to the Government of India and the Right Honourable the Secretary of State for their favourable consideration, and that they may be pleased to sanction the scheme under the usual guarantee of 5 per cent. interest on the capital required to carry out the undertaking.

I have the honour to be,

Sir,

Your most obedient Servant,

JAMES TAYLOR,

Secretary.

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No. 1868 OF 1858.

RAILWAY DEPARTMENT.

TO THE SECRETARY TO THE CHAMBER OF COMMERCE, BOMBAY.

SIR,—With reference to the Chamber's letter dated 20th March last, I am now directed to inform you that a copy of that communication was forwarded to the Government of India on the 17th April, and that in reply to an expression of the opinion of this Government as to the advisability of guaranteeing the Capital for the construction of the branch railway from Ahmedabad to Veerungaum, the Government of India have ruled that the question must remain in abeyance pending the consideration of other railway lines thought to be of greater State importance, and also financially advantageous.

I have the honour to be,

Sir,

Your most obedient Servant,

M. K. KENNEDY, Col., R.E.,

Secretary to Government.

*Bombay Castle, 7th September* 1868.

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# APPENDIX O.

## THE SILTING UP OF THE UPPER PORTION OF BOMBAY HARBOUR.

No. 81 of 1868.

### THE SILTING UP OF THE NORTHERN END AND NORTH-WESTERN FORESHORE OF BOMBAY HARBOUR.

Bombay Chamber of Commerce,

*Bombay, 22nd June* 1868.

To Colonel M. K. Kennedy, R.E.,
Secretary to Government, Public Works Department,
Bombay.

Sir,—The attention of the Chamber of Commerce has been urgently called to the state of the upper portion of Bombay Harbour, which on reliable evidence laid before the Committee of Management appears to have been silting up steadily for many years past, and of late so rapidly, that, unless active measures are soon taken to remedy this serious evil, a large portion of the anchorage in that part of the harbour will be unavailable for ships of even very moderate tonnage.

2. In a recent communication on this subject addressed to Captain Henry, Superintendent of the P. & O. S. N. Company, by the Company's Dock Master Mr. Newell, that gentleman states that during the last nine years he has been connected with the Docks he has observed a gradual silting up, which has increased within the last four or five years. "The mud banks off the old Dock have extended out over 100 feet during my time, and accumulated about two feet more in depth; the average quantity of

mud removed monthly from this Dock channel is about 200 tons. The mud in the small Dock channel has increased nearly four feet within the last three years, and since the opening of the Ritchie Dock the silting up of the channel has been considerable, nearly as much as the old Dock, and I may remark that the harbour at Mazagon has decreased in depth about a foot within the last nine years."

3. Captain Henry states that at the P. & O. S. N. Co.'s small Dock at Mazagon they could in former years depend on eleven feet of water, while now they cannot look for more than eight feet, and the Company is put to great expense in upholding dredging machinery to keep the entrance to their docks clear. In March last one of the mail steamers was detained for a considerable time by being aground in the mud at the usual place of anchorage for the P. and O. Co.'s steamers.

4. The Manager of the Patent Slip at Mazagon says,—"It is necessary to dredge at the entrance to the slip one to two feet of mud every three months to maintain the requisite depth of water to take vessels on and off the slip. The silting is so rapid that he is obliged to lower the cradle every fourteen or fifteen days, otherwise the silt completely chokes up the ways; the silting is increasing so rapidly that he knows a great difference in the quantity of mud deposited within the last two years."

5. Captain Methven, so well known amongst us for his intimate acquaintance with Bombay Harbour, and for his great experience in nautical matters generally, referred in his letter to Government in 1855 on the subject of Dry Docks and Dockyards for Bombay to the well known fact "that there was a tendency along the north-west foreshore of the harbour to silt up, from the absence of scour caused by the freshets, which secured the depth of water in the channel on the other side."

6. It is a fact known to the native boatmen and fishermen of Bombay that in some portions of the upper part of the harbour, where there were formerly channels of one to two fathoms in depth, there is now no water at all.

7. Mr. Ormiston, Chief Engineer to the Elphinstone Land and Press Company, states in his report to the Directors of the Elphinstone Company, dated August 1856, that "recent soundings compared with former surveys show that the tendency is to fill up within the reclamation, and to deepen outside where the current is true. This is what may be expected, but any further encroachments of magnitude in the upper part of the harbour, which would displace tidal water, or deprive our foreshore of its scour, should be strenuously resisted. This is watched at home with a zealous

care by the Board of Trade, but does not appear to be regarded in the same light here, where the Chimboor and the Sion Causeways have been formed apparently regardless of their effect on almost the only harbour in India, and certainly the most important one. Any one can see that the upper end of the harbour is gradually filling up."

8. The opinion indicated by Mr. Ormiston in the foregoing extract from his report, that the rapid silting up of the upper part of the harbour now going on is the result of closing the Sion and Chimboor Creeks in connection with the G. I. P. Railway works, accords with all the other opinions that have been submitted to the Chamber on the subject, but whether this be so or not, of the fact itself there can be no doubt, and the Committee of Management earnestly hope that the earliest attention of the Government may be given to the consideration of a question which vitally affects national as well as local interests.

I have the honour to be,

Sir,

Your most obedient Servant,

JAMES TAYLOR,

Secretary.

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No. 85 OF 1868.

BOMBAY CHAMBER OF COMMERCE,

*Bombay, 29th June* 1868.

To Colonel M. K. KENNEDY, R.E.,

Secretary to Government, Public Works Department,

Bombay.

SIR,—Adverting to my letter of the 22nd instant in reference to the silting up of the upper portion of Bombay Harbour, and in continuation of the views therein put forward on this important subject, I am directed by the Committee of Management of the Chamber to call the attention of Government to the fact that, on a comparison of the survey of the harbour made by Captain Selby of the Indian Navy, with additions by Lieut. Cogan and Mr. Peters in 1829, and the survey by Captain Whish in 1863, the latest known to the Committee, the low-water mark line from Mazagon upwards appears to have advanced into the harbour about half a mile.

2. Even a cursory examination would seem to prove that it is desirable to have a report on the changes that have taken place between the dates of the surveys above mentioned, or any other earlier or later, if such be in existence.

3. It has been represented to the Chamber that to do this satisfactorily the original plans would be required, as no doubt they were plotted to a larger scale than the published maps, and the Committee respectfully commend this suggestion to the early consideration of His Excellency the Right Honourable the Governor in Council.

I have the honour to be,

Sir,

Your most obedient Servant,

JAMES TAYLOR,

Secretary.

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No. 485 C. W.—1710 OF 1868.

*Bombay Castle, 22nd July* 1868.

PUBLIC WORKS DEPARTMENT.

Letter from the Secretary to the Bombay Chamber of Commerce, No. 81, dated 22nd June 1868 :—

Brings to notice the steady silting up of the upper portion of the Bombay Harbour, and solicits the earliest attention of Government to the consideration of this question, "which vitally affects national as well as local interests."

Letter from the Secretary to the Bombay Chamber of Commerce, dated 29th June 1868 :—

Adverting to his letter of the 22nd June 1868, relative to the silting up of the upper portion of the Bombay Harbour, calls the attention of Government to the fact that, on a comparison of the survey of the Harbour made in the years 1829 and 1863, the low water mark line from Mazagon upwards, appears to have advanced into the Harbour about half a mile; and represents the necessity of having a report on the changes that have taken place between the dates of the surveys above mentioned, or any other, earlier or later, if such be in existence.

RESOLUTION.—Government will be glad to receive the reports of the Chief Engineer Presidency Division, and of the Consulting Engineer for Reclamations, on this important subject.

2. It is necessary to determine whether the anchorage at the upper part of the Harbour, particularly at Mazagon, has, or has not, diminished in area, or in depth, and to what extent; also whether the inconvenience stated to exist from silting in the neighbourhood of the P. & O. Dock and Patent Slip, is due to any general cause, or attributable to the construction of any, and what, new works in this neighbourhood.

3. The date of the stoppage of the Sion and Chimboor creeks should be ascertained, and the progressing effect of the closing traced, as far as possible, from old maps and charts.

4. If the Officers named think that the upper part of the Harbour is deteriorating from the stopping of these creeks, they should state whether, in their opinion, re-opening them would be likely to check the injurious action, and restore the *status quo*, and, if not, what additional measures of improvement they would recommend.

W. A. BAKER, Captain, R.E.,
Under-Secretary to Government.

To

The Chief Engineer P. D.
The Consulting Engineer for Reclamations. } With copies of the Chamber of Commerce's letters.

The Secretary to the Bombay Chamber of Commerce.

# APPENDIX P.

## SHIP FREIGHT INWARDS.

In August 1858 a general agreement was come to by the merchants in Bombay to the effect that Inward Freight, when stated in sterling, payable at the current rate of exchange, should, in the absence of special agreement, be paid and received at the rate of two shillings per rupee.

The manner in which the agreement was afterwards printed in the Annual Reports of the Chamber led to differences of opinion regarding its proper interpretation, and also as to the original intention of the framers.

Reference was then made to the original draft, which, on being produced, was found to be in terms as above stated.

The subject was brought before a general meeting of the members of the Chamber held on 30th April 1868, when,—it having been considered desirable that on a matter of so much importance the agreement should be set forth in such a manner as would prevent all misunderstanding in future,—the following resolution, as a re-declaration of the original agreement, was unanimously agreed to, viz. :—

"With reference to the payment of Inward Freight at Bombay when stated in sterling, or when stated to be payable at the current rate of exchange, we, the undersigned merchants, do hereby agree that all such freight falling due after this date shall, in the absence of special agreement, be paid and recovered by us at the rate of two shillings per rupee."

JAMES TAYLOR,
Secretary.

*Bombay Chamber of Commerce,*
*30th April* 1868.

# APPENDIX Q.

## MISCELLANEOUS.

1. Currency of Zanzibar.
2. Railway Progress—B. B. & C. I. Railway.
3. Rates for Carriage of Cotton per G. I. P. Railway.
4. List of Pamphlets.
5. Funds of the Chamber.

# CURRENCY OF ZANZIBAR.

No. 2921 OF 1867.

POLITICAL DEPARTMENT.

TO THE SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

SIR,—In forwarding to you copy of the correspondence marginally noted regarding the currency of Zanzibar, I am directed by His Excellency the Governor in Council to request an expression of the views of the Chamber of Commerce with reference to the question therein discussed.

1. From Acting Political Agent, Zanzibar, No.——dated——with enclosures.
2. Memorandum by the Accountant General dated 15th August 1867.
3. Report by the Mint Master dated 13th September, No. 106 of 1867.

Copy of a previous correspondence with the Political Agent at Zanzibar is also forwarded.

1. From the Political Agent No. $\frac{17}{48}$ dated 15th March 1865.
2. Report from the Deputy Auditor and Accountant General No. 200, dated 1st June 1865.
3. Report by the Mint Master No. 13, dated 29th May 1865.

I have the honour to be,

Sir,

Your most obedient Servant.

C. GONNE,
Secretary to Government.

*Bombay Castle, 19th September* 1867.

No. $\frac{1}{48}$ of 1865.

POLITICAL DEPARTMENT.

From Lieutenant Colonel R. L. PLAYFAIR,
Her Majesty's Consul and Political Agent, Zanzibar,

To C. GONNE, Esq.,
Acting Secretary to Government, Bombay.

*Dated Zanzibar, 15th March* 1865.

SIR,—I would venture to solicit the advice of His Excellency the Governor in Council on the subject of the Zanzibar Currency.

2. I need hardly say that His Highness has no Mint, and the old established currency of the country, the German Crown or Maria Theresa Dollar, * is, day by day, becoming dearer and scarcer, so much so that for years past it has ceased to be the universal circulating medium, though still used as the standard of accounts.

* Herein designated $.

3. Merchants were consequently obliged to import the coinage of their respective countries, and this they did at first as a speculation, the coins being sold at the market rate of exchange, to their great loss and to the great gain of the money-changers.

4. To remedy this inconvenience a meeting of merchants was held in 1862 and a specific value was fixed on the various coins then current, and His Highness was requested to pass a law declaring them legal tenders at those rates. To this he consented.

The following are the rates then fixed:—

| | | | | |
|---|---|---|---|---|
| Gold, South American | ..... | Ounce | $ | 15·00 |
| „ English | ..... | Sovereign | „ | 4·75 |
| „ French | ..... | 20 Francs | „ | 3·75 |
| „ „ | ..... | 10 „ | „ | $1\frac{7}{8}$ |
| „ „ | ..... | 5 „ | „ | $\frac{15}{16}$ |
| Silver „ | ..... | 5 „ | „ | 0·94 |

5. There was no British Consul here at the time, and perhaps on this account the Sovereign was somewhat undervalued, and the Rupee was entirely excluded. Indeed that coin never had been current in Zanzibar.

6. On my arrival I was at once struck with the advantage which would accrue to Indian merchants by the introduction of the Rupee,

and I begged His Highness to add it to the list, which he did, the rate fixed first being ℔0·47. Since then Rupees have come down in great quantities, and that coin is now abundant in the market.

7. No sooner was this done than the American Consul represented to His Highness that as German, English, French, Indian, and South American money was recognized by him, he did not see why that of the United States should be excluded. His Highness asked my advice, and I replied that I quite agreed with the American Consul; I was not, however, consulted as to the rate at which it should be made current, and on the recommendation of the Consul it was admitted into circulation at the same rate as the German Crown.

8. Thus the various coins declared to be legal tender at specific rates were as follows:—

| Value by whom fixed. | Nature of coins. | Nationality of coins. | Names of coins. | Value at which they are current in Zanzibar. | True value determined at the Bombay Mint. |
|---|---|---|---|---|---|
| | | | | ℔ | ℔ |
| By a meeting of Merchants. | Gold. | South American. | Ounce. | 15· 00 | 15· 13 |
| | ,, | English..... | Sovereign. | 4· 75 | 4· 77 |
| | ,, | French..... | 20 Francs. | 3· 75 | 3· 78 |
| | ,, | ,, ..... | 10 ,, | $1\frac{7}{8}$ | 1· 89 |
| | ,, | ,, ..... | 5 ,, | $\frac{15}{16}$ | 0· 96 |
| | Silver. | ,, ..... | 5 ,, | 0· 94 | 0· 96 |
| | ,, | Indian..... | Rupee. | 0· 47 | 0· 46 |
| By H. H. Seyed Majid. | Gold. | American (U. S.) | Double Eagle. | 20· 00 | 19· 60 |
| | ,, | ,, | Single ,, | 10· 00 | 9· 80 |
| | ,, | ,, | Half ,, | 5· 00 | 4· 90 |
| | ,, | ,, | Quarter ,, | 2· 50 | 2· 45 |
| | ,, | ,, | Dollar. | 1· 00 | 0· 98 |
| | Silver. | ,, | Dollar. | 1· 00 | 1· 02 |
| | ,, | ,, | ½ do. | 0· 50 | 0· 51 |

9. Some months back Messrs. H. A. Fraser & Co. complained to me of the undue value given to American gold as compared with the English Sovereign, and I requested Government to obtain from th Mint a statement of the true values of each of the above-mentione

coins. This I received with Government Resolution No. 2532, dated 23rd August last, and the result is embodied in the last column of the preceding table.

10. From this it appears that the complaint of Messrs. H. A. Fraser & Co. is quite just. The sovereign is fixed at $4·75 and the American Half Eagle at $5·00, whereas the true value of the former is $4-77 and that of the letter $4·90. Thus the Sovereign is 2 cents under its value, and the ½ Eagle 10 cents above it. In other words, there is a difference of 12 cents in favour of the American coin, which is rated at 0·83 per cent. above the Sovereign.

11. But on the other hand the rate fixed for the Indian Rupee is most favourable; it passes at $0·47 instead of $0·46, which is even a higher comparative rate than that of the American gold, and this in my opinion more than compensates for the under valuation of the Sovereign.

12. It is apparent that it must be far more advantageous even for Messrs. H. A. Fraser & Co. to get their remittances from Bombay in Rupees, than from England in Sovereigns; as in the one case the duration of the voyage, when they lose interest, is from 15 to 20 days, and in the other from 3 to 4 months. The inference therefore is that it is far more important to secure a high rate for the Rupee than for the sovereign.

13. With the single exception of Messrs. H. A. Fraser & Co., every merchant, European and Native, as far as my means of information extend, is quite content with the existing scale, and deprecates any change. Certainly no one will consent to the Sovereign being increased in value without also insisting on the Rupee being lowered, and if any change takes place, the French, whose currency is also under-valued, will claim a proportionate advance.

14. After all it appears to be a matter of small moment what value (within certain limits) is attached to the various coins, so long as it is compulsory on all to give and receive at the same rate; European merchants *import* but *never export treasure*, they will therefore order such coins as may be most advantageous, with a certainty that these will pass current at the rate which formed the basis of their calculations.

15. This has already been proved, notwithstanding the high rate fixed on American gold; American houses have lately been getting their specie consignments in Rupees from Bombay.

16. The only alternatives appear to me to be, either that the present scale be retained, or that His Highness should abrogate his laws regarding the currency and allow each to pass at whatever may

be the market value, a remedy, in my opinion worse than the evil sought to be cured.

17. I should feel obliged by His Excellency the Governor in Council favouring me with his instructions as to how I shall advise His Highness to act. My own opinion is, that British interests would not be advanced by any change which it is practicable to carry out, and that it is impracticable to raise the value of the Sovereign without lowering that of the Rupee, which to us is of far more consequence.

I have the honour to be, &c.,

R. L. PLAYFAIR.

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No. 290 OF 1865-66.

POLITICAL DEPARTMENT.

FROM THE DEPUTY AUDITOR AND ACCOUNTANT GENERAL,

TO THE SECRETARY TO GOVERNMENT.

*Dated Bombay, 1st June* 1865.

SIR,—I have the honour to report, with reference to Government Resolution No. 1226 dated 22nd ultimo, that I entirely concur in the views expressed by Colonel Ballard in his report No. 13 dated 29th idem, a copy of which is appended, that it is undesirable to alter an established system if it can be avoided, and as the majority of the Merchants in Zanzibar are satisfied with the existing scale, I am of opinion that it should be retained.

I have honour to be, &c.

J. L. LUSHINGTON,

Deputy Auditor and Accountant General.

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No. 13 OF 1865-66.

REPORT.

The American gold coins appear rated at 24 per cent. above the Sovereign, not at ·083 as stated in the 10th paragraph of the Resident's letter under consideration.

2. This is a wide margin, sufficient one would suppose to keep Sovereigns out of the market, unless a fancy value is attached to the

coin in the interior where the legal valuations are probably little considered.

3. The value given to the Rupee is high, but it must be remembered Rupees are weighted with a heavy Mint seignorage of $2\frac{1}{10}$ per cent. I believe it would be generally cheaper to import Sovereigns than Rupees, but the difference must in any case be extremely trifling. Australian Sovereigns are now selling in Calcutta at 10 Rupees. At Zanzibar a Sovereign is 475 cents and 10 Rupees 470. Hence Sovereigns could just now be imported by the circuitous route of Calcutta on more favourable terms than Rupees. 10 Rupees will probably be found below the usual average rate, 10 Rupees 3 annas has been more generally the selling price.

4. But as it is always undesirable to alter an established system if it can be avoided, and as Colonel Playfair says all the residents, but one firm, deprecate a change, it is surely incumbent on that firm to prove satisfactorily that they, and firms trading with Her Majesty's dominions generally, lose by the present arrangement. I think they should prove not only that American coins are over-valued, but that in practice English firms cannot arrange to import American coins, except at a serious disadvantage as compared with other firms, and that the facility for procuring American coins which American firms enjoy, is largely taken advantage of, which, from Colonel Playfair's letter, appears not in reality to be the case.

J. A. BALLARD, Lieut. Colonel,
Mint Master.

*Her Majesty's Mint, Bombay, 29th March* 1865.

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From Dr. SEWARD,
Officiating Political Agent and H. M.'s Consul, Zanzibar.

To C. GONNE, Esq.,
Chief Secretary to Government, Political Department.

*Dated Zanzibar,* 1867.

SIR,—It has become necessary again to seek the counsel of Government on the question of the re-adjustment of the Zanzibar currency value.

17-48, March 1865, Colonel Playfair to Government.

A reference was made to the Government in 1865 by Colonel Playfair, who forwarded a representation of Messrs. H. A. Fraser & Co. on this subject.

Colonel Playfair was of opinion that the over-value of the Rupee would compensate for the relative under-value of the Sovereign then complained of.

Time has not sustained the correctness of that opinion.

The evils that would result from the over-value of American gold as set forth in Messrs. Fraser & Co.'s communication, were then matters of prediction, rather than of fact, and as neither the Political Agent nor the Government of that day appeared to share in the apprehension of the writer, the relative currency values were allowed to remain undisturbed.

It was not that the question was insufficiently considered, but the direct result of the possible revival of American commerce with Zanzibar, was either left out of sight, or if taken into consideration at all, was looked upon as a contingency too remote to affect the deliberations on the subject.

The American Trade was then, it is true, on the eve of expiry, but so was the Civil War, and so soon as the cessation of strife should allow of its *revival* (and its revival would be inevitable) the importation of American gold into Zanzibar would as inevitably follow.

At the conclusion of the war, when that should occur, gold would be in more plenty than United States produce; produce that could find a market on the East African Coast, and gold being more plentiful, and withal a better paying import than produce, American gold would flow in, and most injuriously affect the relatively undervalued currency of other nations, supplying in Zanzibar the want of a local coinage, and especially disturb our own commerce with India.

This is precisely what has taken place, and more. The advantage to be gained by the importation of American gold was at once perceived by the shrewd Hamburgh traders, who ceased to import the Maria Theresa Dollar, flooded the market with the over valued coin, and helped to create the evil which now they loudly deplore.

The Sultan himself ordered a large supply of American gold for the payment of his troops, and lastly came the affluent stream of United States coin, poured in by the American traders.

But American gold was useless for the purposes of foreign exchange; foreign as relates to Zanzibar, and relatively over-valued too, was of none but local use.

Now a foreign money exchange is as necessary for Zanzibar as for other trading countries. The ordinary supplies of local export failing, it is often advantageous to transmit bullion rather than goods elsewhere. There are many other causes which may determine this preference; and

The annual export of specie from Zanzibar to Western India is very considerable. But with the American the only coin, and that relatively overvalued, cash remittances entailed a disastrous loss.

Every other available coin, English and French, found eager and unsatisfied purchasers, until at length none remained for export, and with failing crops, unprofitable prices, and no money exchange, a crisis was anticipated which called forth the second representation from the house first named, H. A. Fraser & Co., which I now forward.

November 6th 1867, Mr. Jacob to the Officiating Political Agent.
Proposal for remodelling the currency of Zanzibar, November 13th, 1867.

At the joint instance of myself and the French Consul, the (White) Traders of the place were invited to a conference, to consider how best to tide over the interval which must necessarily elapse before the disproportionate value of American gold with other gold coin could be adjusted.

No general opinion was at that time evoked, the Americans adhered to their own coin and its value, and thought it but just that English and American gold should be rated at their relative assay value.

The French were agreeable, but objected to the obviously essential elevation of the Maria Theresa Dollar which they thought should become an item of import to be purchased for a specific purpose by those requiring that coin for the continental and East Coast Traffic.

Subsequently at a general meeting of the British Indian Traders, convened by me at Her Majesty's Consulate, the sense of the meeting was ascertained to be as follows:—

> If it be practicable to reduce the American gold to its legitimate value, in relation to the unit of the Maria Theresa Dollar, that reduction should be effected.
>
> The coin has been in circulation from the time of our forefathers, it is current along the Coast, all our values are rated by it, and it is essentially the Zanzibar Dollar.
>
> We object therefore to its value being raised relatively to the new American standard.

It is true that the American coin is now the only current money here, but only as the effect of an arbitrary over-valuation in the assignment of which we had no voice, and which with the assent of the Government we have been obliged to endure.

If it be not practicable to reduce the American gold, English and French gold must be elevated to its proportional value.

But this measure would also involve a lowering of the Rupee to its relative value, *i. e.* from 47 to 46, and an elevation of the German Dollar, which we deprecate. Whichever of these two alternatives is adopted, and one or the other should be adopted, we consider any sudden and unlooked for change would be more immediately disastrous than a temporary endurance.

With time for preparation, say one year from this date, we shall be able to meet the change with the minimum of loss.

The feeling of the Western merchants generally (with the exception perhaps of Messrs. H. A. Fraser & Co., who desired an immediate change) was entirely in favour of the elevation of English and French gold, but only after the lapse of an interval for preparation.

I therefore notified to His Highness Syud Majid that as great damage to Trade and injury to British interests had resulted from his having admitted American gold at an arbitrary overvalue, that is, he had consented to receive it at the Custom House, a consent tantamount to its general admission; I should therefore call upon him under the most favoured Nation clause to admit English gold at its just relative value on and after the 1st November 1867.

His Highness wished that the disproportionate value should continue for two years or more, the fact being that having ordered large supplies of American gold, he was desirous of sustaining a monopoly of which he equally with the Americans would share the profits. I however felt justified, for reasons to be stated, in naming the 1st November 1867 as the latest date up to which this monopoly would be recognised by British Traders.

It is to be remembered that His Highness has no coinage of his own, and that he is dependent upon those powers who with ourselves have jurisdiction in Zanzibar for the monies circulating in his own dominions.

But he is bound by Treaty with all not to set up or favour a monopoly, and he is also bound to give to no State having treaty relations with him pre-eminence over another.

His Highness could not possibly compel French subjects to accept an over-valued English coin, were they averse to its receipt; obviously the only way open to His Highness, and the right way to bring about the acknowledgment of a money value, is to obtain the assent of the representatives of the powers, who, each in his jurisdiction, could cause such money value to be respected.

This being done, an announcement by His Highness, as affecting residents generally, would have all the force of a Sovereign enactment in States where foreign jurisdiction have no place.

He failed to adopt this course, in this particular instance, and hence this monopoly and disturbance of the money market now complained of.

On a review of the question, I am inclined to support the adjustment of the general coinage to the standard of the American Dollar.

The Sovereign will then possess precisely the same value in relation to that coin as it has in the New York Custom House, 4·87.

With this value English gold would certainly obtain the preference if but for the fact that English gold is every where at a premium and every where negotiable.

It is a question whether, to be consistent, the value of the Rupee should not be adjusted.

Its true value in terms of the German Crown is 46 plus a heavy Mint seignorage, but at Zanzibar it is rated at 47.

If the Government should consider that the change for which the traders of Zanzibar are now prepared should be effected, I would suggest that the new value of coin should be made known to the public, in time to influence the specie consignments for East Africa during the coming N. E. Monsoon, and that its decision should at once be forwarded to Zanzibar for the information of the Sultan and Traders generally.

I have the honour to be, &c.,

G. E. SEWARD,

Officiating Political Agent and Consul,

Zanzibar.

Present at the meeting convened at H. M. Consulate, November 1867.

Her Majesty's Acting Consul in the Chair.

(Signed) Ladda Dhamjee.
" Deojee Soomal.
" Damodhur Moorjee.
" Dansee Karree.
" Nanjee Wissunjee.
" Lalljee Dyar.
" Molee Chand Carmon.
" Peerthola.
" Laka Kanjee.
" Wissunjee Kurra.
" Imael Soomar.
" Jaffer Parya.
" Ibrahamjee,

And others.

G. E. SEWARD.

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## PROPOSAL FOR REMODELLING THE CURRENCY OF ZANZIBAR.

The evils complained of under the present system are:—

1*st*. That American money being rated too highly as regards English and French gold, the latter have disappeared from circulation, and can only be imported at a loss.

2*nd*. That American money is now the only available currency, and being rated too highly in terms of the standard Black Dollar or amount of value, the latter can only be procured for trade operations on the Coast at a high premium.

Two remedies are proposed:—

1*st*. To elevate the value of English and French gold relatively to American.

2*nd*. To lower American gold and rate all Foreign coins at their true assay value.

The second of these remedies is naturally opposed by the American merchants, and could only be carried in direct opposition to their wishes and interests.

The first it is understood would be consented to by the Americans, and is on this and other accounts the most feasible. The objections to it are two in number.

1*st*. That if any change is to be made obviously the correct course is to rate all coins fairly, and that the American coins being already over-valued is no good reason for over-valuing all others.

2*nd*. But a much more important objection is that this course would have no effect in restoring the Black Dollar to circulation. This useful coin has disappeared; that is to say, the present *de facto* currency are American Gold; it is made to represent a greater number of Black Dollars than it is intrinsically worth, and it is therefore evident that the evil will only be increased by raising the value of English and French gold, which are at present rated below their correct assay value as regards the Black Dollar.

Any effectual plan for improving the currency must therefore in some way effect the raising the value of the Black Dollar so long as the Black Dollar remains the unit of value; its sure value can only be raised by depressing that of the other coins. The value of French and English gold are however at present too low, and the American merchants will not hear of lowering their coinage; obviously the only remedy left is to *discard the Black Dollar as the unit of value*. Let the Zanzibar Dollar of account be a nominal coin, and rating the American Eagle at 10 of these Dollars, re-arrange the currency value of all other coins *including the Black Dollars* in accordance with their assay values.

The values would then stand as follows:—

| | | | |
|---|---|---|---|
| American Eagle | = 10 | Dollars of account. | |
| Sovereign | = 4·87 | do. | do. |
| 20 Franc-piece | = 3·86 | do. | do. |
| Black Dollar | = 1·02 | do. | do. |
| Rupee | = 47 | cents. | do. |

The intrinsic sterling value of the new Zanzibar dollar of account would thus be about 4*s*. 1¼*d*. instead of 4*s*. 2½*d*. as at present.

It is not easy to see that any practical inconvenience could result from the adoption of this plan, while it would probably remedy the evils complained of.

It is evident that the questions whether any particular coinage is over-valued or the contrary, depends entirely upon what you assume as the *unit*. The American Eagle is at present over-valued, because it is not intrinsically worth 10 Black dollars. But it is worth 10 times 4*s*. 1¼*d*. and the French 20 Franc-piece and English Sovereign are worth respectively 3·86 and 4·87 times that amount. If therefore a nominal dollar of account valued at 4*s*. 1¼*d*. sterling be introduced as the unit of value, and all coins admitted at their true assay value in relation to this standard, all difficulties will vanish, and the

only practical inconvenience will be that prices will have to adjust themselves to the lower standard, thus, produce to-day worth 10 Black Dollars would (if the proposed change were made) be quoted to-morrow at 10 20 Dollars of account, the actual value being the same.

The question would thus resolve itself into one of exchange; merchants would accommodate themselves to the decreased value of the standard Dollar, while the Black Dollars, being fairly valued as regards the new standard, and also as regards French, English, and American gold would, it is hoped, again come into circulation.

H. JACOB.

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*Zanzibar, 5th November* 1866.

To Dr. G. E. SEWARD,

H. M.'s Acting Consul and Political Agent, Zanzibar.

SIR,—On the 20th June 1864 we had the honour of drawing Colonel Playfair's attention to the fact, that American gold had been made legal currency in Zanzibar at a rate considerably exceeding its true value as compared both with the English Sovereign and the Standard German Crown. This value had been fixed without any consultation with English merchants here, and we took the opportunity of pointing out that the effect upon English commercial interests would be most injurious.

The matter was referred by Colonel Playfair to the Bombay Government, and we were furnished some months afterwards, with a copy of the Bombay Mint Master's report which confirmed our statement in every particular, the true value of the American $5 piece and the Sovereign being stated as follows in terms of the German Crown or Standard Dollar:—

American 5 $ piece = $ 4·90.
English Sovereign = $ 4·77.

whereas the two coins in question are legal tenders in Zanzibar at $5 and $4·75, respectively, *i. e.* the American coin is over-valued 10 cents. and the Sovereign under-valued 2 cents, making a total of 12 cents to the advantage of the former.

In acknowledging the above named document under date February 3rd, 1865, we pointed this out to Colonel Playfair, and expressed a hope that no time would be lost in urging upon the local Government the necessity of protecting British commercial interests by a re-adjustment of the current values of the respective coins.

At the time we first brought this matter to the notice of the English Consul, but little practical inconvenience had been experienced from the fictitious value given to the American Dollar. American houses here were doing no business, owing to the war, and little or no American gold was in circulation.

Had a proper adjustment been then made, and the American Dollar fairly rated, the year's notice necessary under the circumstances could have been given, and when the American merchants resumed business here last spring, they would have done so on equal terms with their European neighbours, and no complaint could have been on made either side.

Colonel Playfair did not, however, think it necessary to take the steps we suggested, and our communication remained unanswered.

We have now the honour of bringing to your notice that the consequences we anticipated have actually resulted. Large quantities of American gold have been imported at a premium, and not only English Sovereigns, but French gold (heretofore most abundant) and the German Crowns as well have been either hoarded or sent out of the country as the only available form of remittance, and have now almost entirely disappeared from circulation.

Practically speaking American gold is now the only available circulating medium, and this being forced upon merchants as legal currency at considerably above its intrinsic and marketable value, the effect upon the interests of all except its privileged importers is the same as a depreciated currency would produce in any country where a currency existed. All our exchange operations are carried on necessarily at a loss, and on special remittances, especially, the loss would be very serious.

As an example we may mention that the present drawing rate of exchange on Bombay is from Rs. 206 to Rs. 208 per 100 Dollars, so that any one requiring to remit say $10,000 could only obtain a draft (at the latter rate) for Rs. 20,800 in return for a payment equal to Rs. 21,275; on a specie remittance to England of say a similar amount, the loss would be represented by the difference between the fictitious value here £2,105, and the marketable value in England which at 20*s*. 6*d*. per Half Eagle only amounts to £2,050, showing a loss of £55 irrespective of interest and charges.

In remittances to the Coast likewise, heavy losses have to be sustained, as it is necessary to purchase German Crowns at a high premium, at present from 4 to 5 per cent.

Examples like the above might be easily multiplied, but it is hardly necessary to do so. The injustice to English or British Indian merchants of forcing them to accept as a legal tender, a coin imported

by merchants of another nation, and bearing a fictitious value is too glaring to need illustration, and the mischievous consequence of what is in fact a depreciated currency, are sufficiently obvious, and have already caused much public inconvenience.

As British merchants we think we have a right again to request that the matter should be so represented to His Highness as to induce him to place the American Dollar at its true value; and as a year's notice of such change is understood to be required, we are of opinion that as a temporary expedient, the value of the Sovereign and French gold should be proportionately raised in the meantime. By adopting this plan, the present efflux of all but American gold would probably be stopped, and time allowed for the re-import of the missing coinage. The present state of affairs is very serious, and the evil is increasing and calls loudly for a remedy.

We are, &c.,

*p. pro.* H. A. FRASER & Co.,
H. JACOB.

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*Forwarded to the Mint Master for Opinion.*

The undersigned thinks the proposal to alter the assay value of the Sovereign or of the Rupee quite out of the question, and that it seems a matter more of a political nature than financial, to induce the Sultan to alter the value of the American gold coin so as to reduce its assay value.

J. L. LUSHINGTON,
Accountant General.

15*th August* 1867.

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No. 106 OF 1867-68.

*Report of the Officiating Mint Master on the papers received under the Government Resolution No.* 2544, *dated* 9*th August* 1867, *referring to the currency of Zanzibar.*

It appears from these papers that the old established currency of Zanzibar, where there is no Mint, is the German Crown, or Maria Theresa Dollar (or Thalier) of 1780, but even in March 1865 (according to the Political Agent) it was "day by day becoming dearer and scarcer, so much so that for years past it has ceased to be the

universal circulating medium, though still used as a standard of account."

2. In 1862, and subsequently the Sultan consented to recognize the foreign coins specified in the following table, at the values entered in column 2 in terms of the standard German Crown. The relative value of these coins as calculated here is shown in juxtaposition, as also the amount of pure metal in each and their true relative values.

| Denominations of Coins. | Recognized value at Zanzibar in German Crowns. | Value in German Crowns, taking Silver at 5s. 2d. per ounce. | Weight of pure metal in each Coin. | Relative intrinsic value of Gold coins. The American Gold Dollar being unity. | Relative intrinsic value of Silver coins, the German Crown being unity. |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| | | | Grains. | | |
| Gold (English) Sovereign | 4·75 | 4·77 | 113·0012 | 4·866 | .. |
| „ (French) Napoleon 20 Francs. | 3·75 | 3·78 | 89·6049 | 3·859 | .. |
| „ „ 5 Franc piece. | 0·9375 | 0·94 | 22·3884 | 0·964 | .. |
| Silver „ do. ... | 0·94 | 0·96 | 347·227 | .. | 0·962 |
| „ Indian Rupees..... | 0·47 | 0·46 | 165·000 | .. | 0·457 |
| Gold (American U. S.) half Eagle. | 5·00 | 4·90 | 116·1000 | 5·000 | .. |
| „ „ Dollar .. | 1·00 | 0·98 | 23·2200 | 1·000 | .. |
| Silver „ „ .... | 1·00 | 1·02 | 371·250 | .. | 1·0287 |
| „ Austrian German Crown. | 1·00 | 1·00 | 360·900 | .. | 1·000 |

3. The value of all but the Indian and American coins was fixed at a meeting of merchants, and with the assent of the Sultan. That of the Indian Rupee appears to have been fixed by the British Agent with a similar assent, upon which the Americans proceeded to obtain the assent of the Sultan to the acceptance of their coins at the values specified. Thus, taking the gold coins in column 3 the English Sovereign and French Napoleon were under-valued, and the American half Eagle and Dollar were over-valued, relatively. Taking the silver coins in the same column the Rupee was over-valued and the French 5 Franc pieces and the American Dollar were under-valued relatively.

4. The result, as now reported, of the relatively high value accorded to the American gold coin, is that in 1867 it is the only coin current in Zanzibar, the long established standard currency, the German Crown (silver), having entirely disappeared from circulation.

5. The American coin, however, as was to have been expected, has been imported, not only by American merchants. It is mentioned in the papers that the Hamburg traders, and even the Sultan himself, have imported it.

6. For purposes of import then it does not appear that in practice one class of foreign merchants has had any advantage over another owing to this artificial state of affairs, nor does such appear to have been the case in the export of specie. It is true that when is has been necessary to export specie (and it is alleged in the latter papers that the annual export of specie to Western India from Zanzibar is very considerable), cash remittances necessarily entailed a heavy loss, as soon as all the available English and French coin had been bought up and exported; similarly there is a loss in specie remittances to the Coast, for which German Crowns alone are of use; these having been forced out of circulation and being only purchasable at a high premium; but, here also, it does not appear how one class of foreign merchants can have obtained any advantage over other classes.

7. Still, there is evidently a decided feeling amongst the foreign merchants against the existing state of affairs, and a strong desire to see the American coin removed from the exceptional position in which it has been placed. It is difficult to suppose that this is a mere matter of sentiment on the part of non-American traders. It would rather seem that there must be some conflict of material interests in the matter; but the papers do not exhibit how this occurs, or, if it has occurred, how it can be maintained.

8. The Americans having gained the field, are of course anxious to keep it, and demur to any reduction in the assigned value of their gold coin in terms of the German Crown. That value gives a ratio of 1 of gold to $15\frac{1}{2}$ of silver, the ratio that prevails in France,

and under which silver has been practically demoralized there. In the United States the ratio is even higher, 1 to 15·988, and it is probable that the American traders are influenced by a desire not to depart too far from the standard they are accustomed to, in objecting to the rates being made lower than it already is at Zanzibar. At the same time they offer no objection to the remedy of the injustice, by a similar over-valuation being extended to the English and French gold coins, and the white traders, as a body, are almost unanimous in desiring that this may be done. Some of them object, however, to the corollary (only a corollary if it is really desired to bring back the German Crown into circulation) to such a step, viz. the elevation of the value of the Crown.

9. The British Indian traders would rather see the American coin reduced to its legitimate value, but if it be determined to raise the value of the English and French gold coins, then they are of opinion that the German Crown should be raised, and the Rupee reduced in value. They consider that one year's notice of any change should be given.

10. Supporting the view of the white traders, in favour of the adjustment of the coinage of other nations by the value assigned to the American gold Dollar, the British Agent has notified the Sultan that he shall call upon him to admit British gold coin from the 1st November 1867, at the same value as the American gold Dollar.

11. The British Agent apparently looks to the Government of Bombay to confirm the step he has taken and publish the change (if confirmed), so as to influence specie consignments for East Africa during the coming N. E. monsoon, but it should be borne in mind that the possible non-compliance of the Sultan to authorize the change might lead to a claim on Government for indemnity from loss, if traders acted on the notification. The Agent also raises the question whether, "to be consistent, the value of the Rupee should not be adjusted."

12. Before considering this last question (the value to be assigned to the Rupee) it should be noted prominently that the adjustment of the value of the English and French gold coins to that of the American gold coin can have no effect in bringing back into circulation the German Crown, a silver coin which, having ceased to be current, can only be regarded as bullion at present.

13. The effect of the measure proposed will be to assign to the gold coins a correct relative value expressed in terms of a nominal standard of account, which standard will be called the German Crown, or Dollar, but in reality will be a gold unit of account; and this leads to the question that appears to me to be at the root of the

whole matter—"what is to be the standard, or legal, tender of Zanzibar, silver or gold?" This is a question which is complicated, in the particular case, by the necessity of affixing a fixed relative value to two articles which are constantly varying in value, both absolutely and relatively; for as already noted, Zanzibar possesses no Mint and therefore no currency of its own.

14. Previous to the recognition at an artificial value of the American gold coin, the quasi legal tender at Zanzibar, as well as elsewhere on the East African Coast, was silver. At Zanzibar this has been changed to gold, or at all events the change has nearly taken place. The white or Western Traders prefer it; the British Indian, or Eastern Traders, would evidently prefer to see silver retained, or rather recalled.

15. It is impossible that two precious metals can be concurrent as legal tenders for long, even in such an out of the way corner of the earth as Zanzibar. The one must sooner or later work the disappearance of the other, whether it be due to a fictitious value being assigned to one of them by a royal decree, to the levy of a differential rate of seignorage, to fluctuations in the market values of the two metals, or to any other cause.

16. The British Agent has, in effect, declared in favour of gold as the preferable metal, and he must be presumed to possess such a knowledge of the circumstances of the trade of Zanzibar, not only with Europe, Asia, and America, but with the contiguous Eastern Coast of Africa as to entitle his opinion to weight.

17. I should conclude from the fact of this preference that the Coast trade is comparatively of small moment; but be that as it may, any arbitrary interference with the medium through which that trade has for generations been conducted, is very likely, in the first instance, to prove a serious hindrance to its further development, especially with a semi-civilized people who seem to have naturalized, as their legal tender (whether spontaneously or accidentally it matters not now) silver in the form of a German (Maria Theresa) Thaler of 1780, which is specially coined at the present time for, it is said, the Levant trade.

18. The matter under discussion requires, in my opinion, to be considered by men conversant with commerce generally, as well as with the trade of Zanzibar. Utterly ignorant as I am of the particulars of the trade of Zanzibar, my opinion on the question at issue (as I apprehend it) can be of no possible value, but it is clear that much has been already done towards the demoralization of silver, and that this could only have been so rapidly effected by the arbitrary over-valuation of gold that has prevailed. The greater conveniences of gold as a circulating medium are obvious, but it cannot

be good for trade generally that gold should bear a fictitious local value, and the Sultan, who has authorized it, may rest satisfied that he and others have already reaped the full profit of the measure, since it is only during the progress of such a change that profit is possible, and then only through the necessities or ignorance of the masses. In a very short time competition will make such profits common property, and so put an end to them.

19. The matter has, however, gone so far that gold has probably established its position as a legal tender acceptable to all, provided it be allowed a fair field, and from the papers under consideration it would seem that, with a fair field, British gold is likely to hold the preference.

20. But whether British or American gold carry the day is immaterial to the broad question, of what shall be the standard. If it be considered that gold should be, and on this point I venture to think that before passing orders the Government might, with advantage, consult the Chamber of Commerce here, the action taken by the British Agent is in the right direction; for, as soon as the traders of all nations find themselves on the same footing, it is probable that they will, one and all, desire to remove the complexity arising from any thing artificial in the currency, by means of which their transactions are conducted, that can be removed. This reservation is necessary, for it is not possible to do without some artificial arrangement by which the circulation of both silver and gold shall be maintained.

21. In civilized countries this is effected by one of the precious metals being represented by tokens only, issued by, or under the authority of the State. In a country possessing no indigenous currency, whether gold or silver, but alive to the necessity of a circulating medium, something of the same kind must be established. If gold is to be the standard, then it must bear such a premium as will protect it from being replaced by silver, but it is in every way most desirable that the premium should be sufficient for that object and no more. All silver must be regarded as bullion, but in order to facilitate the petty transactions of every day life it may be prescribed that one, or more, of the silver coins commonly imported should be current at a certain value in terms of the recognized gold coins. In other words, the ratio of the values of gold and silver, as concurrent coins, should be defined. The best way to arrive at a fair approximation to this ratio would be to take that of the average prices of gold and silver bullion during, say, the last five years at the place, and adjusting it so as to put a slight premium on gold, to rule that no change shall be made in that ratio under one year's notice. The simple result of putting an unnecessarily high premium on gold would be to defeat the object. Silver would not be forthcoming on such terms.

22. These remarks would equally apply to a case in which silver was taken as the standard and gold treated as bullion, but still requiring to be considered as being largely used in the operations of trade. They are, therefore, applicable "mutatis mutandis" should it be determined to press the Sultan to recal silver into circulation, as the quasi legal tender of Zanzibar.

23. The question of the value to be assigned to the Rupee remains to be disposed of. As both it and the German Crown are of the same metal—silver, it is plain that the relative value of these coins, in a foreign place, should be decided on their intrinsic value. The weight of pure metal in each of these coins and their relative intrinsic value are shown in the table given in the early part of this report. As the intrinsic par of a Rupee is only 0·457 of a German Crown, the Rupee is over-valued at 0·47 of a Crown. The fact that a seignorage is levied on bullion minted in India or elsewhere has nothing to do with the value of the coins made therefrom when they are imported into Zanzibar or any other foreign place. In quitting the country of their manufacture they become bullion, and must stand on their intrinsic value.

E. J. WILLIAMS, Captain, R.E.,
Officiating Mint Master.

*H. M.'s Mint, Bombay, 13th September* 1867.

To the Secretary to Government,
Political Department.

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No. 2987 of 1867.

Political Department.

To the Secretary to the Chamber of Commerce,
Bombay.

Sir,—Referring to my letter No. 2921 dated the 19th instant, regarding the Zanzibar currency, I have the honour to transmit copy

of a "Note" by the Officiating Mint Master to paragraph 8 of his report, forwarded with the communication above referred to.

I have the honour to be,

Sir,

Your most obedient Servant,

C. GONNE,

Secretary to Government.

*Bombay Castle, 23rd September* 1867.

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NOTE to paragraph 8th of the Report of the Officiating Mint Master on the papers received with Government Resolution No. 2544, dated 9th August 1867, referring to the Currency of Zanzibar.

NOTE.—The ratio of the values of gold and silver coins in the United States is deduced from the gold and silver Dollar. The silver Dollar has practically ceased to exist, I understand; silver in that form having, in consequence of the high ratio, been demonetized, as in France the five-Franc piece has, with a lower ratio. The amount of pure silver in the current silver coins representing parts of a Dollar is, however, much less than in the silver Dollar itself; and the ratio deduced from comparison of them and of gold coins is only 14·8837. The weight of pure silver in a half Dollar piece is 172·8 grains, and the relative intrinsic value, the German Crown being unity, is 0·4788. It will be necessary to bear these variations in mind, should the American merchants at Zanzibar desire the Sultan to affix a value to their half Dollar pieces, the introduction of which might, under certain circumstances, be desired by them as a source of temporary profit.

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No. 110 OF 1867-68.

The undersigned has the honour to forward the above with a request that it may be added to his report, No. 106 of the 13th instant, on the Zanzibar currency.

E. C. S. WILLIAMS, Captain, R.E.,

Officiating Mint Master.

*H. M.'s Mint Bombay, 20th September* 1867.

TO THE SECRETARY TO GOVERNMENT,

Political Department.

No. 18 of 1868.

*Bombay, 1st February* 1868.

To the Secretary to Government,

Political Department, Bombay.

Sir,—Adverting to your letters of the 19th and 23rd September last, submitting certain papers on the subject of the currency of Zanzibar, on which His Excellency the Right Honourable the Governor in Council desired to have an expression of the views of the Chamber;

I have now the honour, by direction of the Committee of Management to lay before you for the information of Government the following considerations on the subject:—

The confusion of currencies prevailing at Zanzibar cannot but exercise a very prejudicial effect on the commerce of the country, and an early remedy ought to be applied.

Zanzibar has no Mint of its own, and is therefore dependent for its currency on imports of foreign coin. In these circumstances it must always be a difficult matter to regulate the relative values at which such coins are admitted as legal tender, and in order to secure as far as practicable the advantages of a national currency from such conflicting elements, the greatest care ought to be observed to affix to each a relative value exactly corresponding to its intrinsic value. This obvious precaution has been disregarded, and consequently the coins of certain countries trading largely with Zanzibar are disappearing from it, because they cannot be imported except at a loss; its commerce is thereby hampered and interfered with; and its foreign exchanges are deranged.

The Zanzibar standard of value is the Maria Theresa Dollar, which at one time formed almost the sole circulating medium of the country, but which has now been supplanted by other coins, and which seems to be gradually disappearing from active circulation. The other coins which pass current are shown in a statement furnished by the Political Agent, to which tables are appended showing their relative intrinsic values as compared with their legal tender values as follows:—

| | Current value in Zanzibar. | Intrinsic value as ascertained at Bombay Mint. | Under valuation. | Or Ex-valuation. |
|---|---|---|---|---|
| | ₹ | ₹ | | |
| Gold American Eagle. | 10 | 9·80 | .... | 2 per cent. |
| „ English Sovereign. | 4·75 | 4·77 | 0·42 per cent. | .... |
| „ French 10 Franc piece. | 3·75 | 3·78 | 0·80 per cent. | .... |
| Silver 5 Franc piece. . | 0·94 | 0·96 | 2·12 per cent. | .... |
| „ Indian Rupee.. | 0·47 | 0·46 | .... | 2·17 per cent. |

A glance at these figures is sufficient to account for the results stated above, and for the fact that the American Eagle and the Indian Rupee have driven English and French money out of the country. The American and Indian traders are enabled to pay for their purchases of produce in coin valued at a rate which secures them a profit of 2½ per cent. more than their European rivals, who thus compete with them at an immense disadvantage, while at the same time English and French coin having disappeared, exporters of specie find themselves obliged to make their remittances in coin which they are obliged to take at 2 per cent. more than it is worth, and which of course loses this artificial premium the moment it leaves the country.

Amongst the remedies that may be applied to this unsatisfactory state of affairs the two most obvious and practicable are:—

*First.*—Taking the Maria Theresa Dollar as the unit of value, to affix new values to the other coins in exact proportion to their intrinsic worth.

Or *second.*—To demonetize the Maria Theresa coin, and making the Dollar merely a standard of account, to continue to the American Gold Eagle its present value of ₹ 10, assigning to the other coins a relative value in proportion to their intrinsic value.

The former of these expedients would at first sight appear to have the advantage of retaining the old Maria Theresa Dollar, the best known and favourite coin, as the standard currency of the country, and if this were really the case it would be a weighty argument in favour of arranging the currency on this basis. But judging by the papers that have been submitted, the Committee would consider it very doubtful whether even under the influence of such an arrangement the Dollar would recover its former position as a circulating medium, and there are other objections to the measure which are entitled to considerable weight. To carry it into effect it would be necessary to lower the relative values of the American Eagle and Rupee to which the American and Indian traders appear strongly to object, and not without reason, as such a change would entail considerable loss on holders of these coins and on all shipments of them afloat at the time the change is carried out. This injury might to a certain extent be lessened by giving a year's notice of the change, but independently of the delay, which is itself a strong objection, there can be no doubt that the value of these coins would to a certain extent be affected in anticipation.

As regards the second measure probably the strongest objection that will be urged against it is that it will have the effect of demonetizing the Maria Theresa Dollar, but it appears from the papers submitted that in point of fact that coin has already ceased to circulate as currency, and that its place has been taken by the American Eagle principally.

In Messrs. Fraser & Co's letter of 5th November 1856 it is stated that the Maria Theresa Dollar is getting scarcer and dearer, and is at a premium of 5 per cent. It is evident therefore that even were the authorized value of the Eagle reduced by 2 per cent. to bring it to its intrinsic value as compared with the Dollar, the latter coin would still command a premium of 3 per cent. which would preclude the possibility of its resuming its place as the circulating medium of the country. It may be inferred that this demonetizing process has been going on for some time and is due to other causes than the enhancement of the American Eagle. The chief inquiry for the Dollar is along the Coast, where the natives are ignorant or suspicious of any other coin, and but for the demand arising from the Coast trade, Dollars would probably cease to be imported altogether. A parallel case to this is met with at some of the northern ports of China, where the native traders show such a prejudice in favour of the old Carolus Dollar that it sells at a premium, sometimes as high as 10 per cent. A coin in this position is simply an article of commerce and not currency.

In now dealing with the question it appears to the Committee that the best policy for the Zanzibar Government to pursue will be to accept the facts, that the Dollar has ceased to be the currency of

the country, and that its place has been taken by other coins. In this view the second measure they have named seems to offer the best solution of the difficulty. It possesses two great advantages over the first, namely, that the change might be effected with very little notice and that it would have no injurious effect on existing interests. The other expedient on the contrary would not only involve a long delay but would unsettle for a time all monetary arrangements, and would inflict a serious loss on holders of American gold, or of Rupees. Should the second measure then be adopted, the Dollar will become merely a standard of account, and the Gold Eagle being valued at ℔ 10, the value of the other recognised coins will fall to be adjusted in proportion according to their intrinsic values. This may at first sight appear to have the effect of rating all the coins above their intrinsic value, but it scarcely requires to be pointed out that looking at the Dollar as a mere term or standard of account, it matters little what value is affixed to any one coin provided all the others are valued in exactly the same proportion.

The Political Agent's despatch of 1867 appears to lean towards this as the most satisfactory adjustment practicable, but the Committee would desire to call attention to an error in his argument and in the views of the meeting he reports. He puts it forward as a natural consequence, that if the relative values of English and French gold are raised in proportion to that of American gold, the value of the Rupee must at the same time be reduced from ℔ 0·47 to ℔ 0·46. A moment's consideration will show the fallacy of this. If the nominal value of any coin is raised, the value of all must, as has been remarked above, be raised in proportion, and the Rupee would accordingly remain very near its present figure of ℔ 0·47. To reduce it to ℔ 0·46 would be simply to create in another direction the very evil now complained of.

The papers submitted do not furnish the statistics as to exports and imports of bullion and specie, &c., necessary to enable the Committee to deal with the question more in detail. In the absence of those particulars it is impossible to treat the subject otherwise than on general grounds, but at the same time they have every reason to suppose, judging by what can be gathered from the documents before them that such statistics, if obtainable, would only tend to support their conclusions.

I have the honour to be,

Sir,

Your most obedient servant,

JAMES TAYLOR,

Secretary.

# RAILWAY PROGRESS—BOMBAY, BARODA, AND CENTRAL INDIA RAILWAY.

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No. 3763 of 1868.

Bombay, Baroda, and Central India Railway.

Agent's Department,

*Bombay, 28th September* 1868.

To James Taylor, Esq.,
Secretary, Bombay Chamber of Commerce,
Bombay.

Sir,—With reference to your letter of the 7th instant, asking for some information relative to this Railway, I have the honour to state as follows:—

2. During the monsoon of the current year serious interruptions of this Railway north of Surat were caused by the extraordinary floods in Guzerat; communication by train has since, however, been restored over the whole of the line, except at the Nerbudda Viaduct, four spans in the centre of which were carried away by the floods on the morning of the 10th August. Over this gap, a temporary teak staging is being erected, and though its completion has been recently somewhat delayed by further floods in the river, it is hoped, if the floods cease, that trains will be able to cross the Viaduct by about the middle of October. The permanent measures which it will be necessary to take for the security of the Nerbudda Viaduct are under consideration.

3. During the last two working seasons further surveys of the projected extensions of this Railway from Guzerat to Delhi and Agra have been prosecuted by the Engineers of this Company. The results of these surveys are being printed, and will immediately be placed before Government and the Home Authorities. It is trusted that sufficient information as to these important extensions has now been obtained to enable a decision to be come to on the main question as to whether they are to be undertaken or not.

4. The construction of the much wanted branch of 34 miles from Ahmedabad to Veerumgaum has not, I regret to say, yet been authorised, though repeated representations, pointing out its necessity, in the interest of all concerned, have been made. It is hoped that the policy of no longer withholding sanction for this branch will shortly be more fully recognised.

5. In Bombay, a temporary Station for Passengers has been provided at Churney Road; and arrangements have been made for the immediate erection of a permanent Passenger Station at Grant Road, in lieu of the existing temporary structure at Bellasis Road. The question of the position of the Company's Terminus has also, as the Chamber is doubtless aware, been re-opened, and it is difficult to say at the present moment what the final solution of it will be.

I have the honour to be,

Sir,

Your most obedient Servant,

C. CURREY,

Agent.

# RATES FOR CARRIAGE OF COTTON PER GREAT INDIAN PENINSULA RAILWAY.

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BOMBAY CHAMBER OF COMMERCE,

*17th October* 1867.

A meeting was this afternoon held at the office of the Chamber, to confer on a certain point raised regarding the rates charged by the Great Indian Peninsula Railway for Cotton, pressed, half-pressed, and Docras from the Berars, &c., to Bombay, and to consider certain objections to the rates raised by the cotton agents.

PRESENT:

J. BOGIE, Esq., *Deputy Chairman, in the Chair.*

T. E. Taylor, Esq. (Lawrence & Co.)
H. E. Astley, Esq. (Ewart, Latham & Co.)
Henry Maxwell, Esq. (Finlay, Scott & Co.)
W. Christian, Esq. (Peel, Cassels & Co.)
H. Somerville, Esq. (Lyon Brothers & Co.)
A. E. Ashley, Esq. (London, Asiatic & American & Co.)
W. E. Crum, Esq. (Graham & Co.)
A. Huson, Esq. (Robinson & Co.)
W. P. Nixon, Esq., (Killick, Nixon & Co.)

James Taylor, *Secretary.*

There were also present:—

General Rivers, Agent Great Indian Peninsula Railway.
Walter Knox, Esq., Traffic Manager.
H. Rivett-Carnac, Esq., Cotton Commissioner Central Provinces.
— Roghé, Esq., Cotton Agent, Berar.

Mr. Roghé made a general statement as to the points on which he considered he had a grievance against the Railway, and after a discussion of various points on which most of the gentlemen present took part, Mr. Roghé submitted the following statement for the acceptance of General Rivers and Mr. Knox on the part of the Railway Company :—

"Will the Company agree to guarantee that all of their waggons will take 5 (five) tons of cotton without reference to the size of the bales, provided the cotton is pressed to a density of 10 lbs. per cubic foot."

Mr. Knox on the part of the Company said they would, but added :—"If after the commencement of the carrying season it has been discovered that Mr. Roghé has not kept pace in pressing (say 10 lbs. per cubic foot) his bales with other senders, the rates now quoted to be considered as void."

Mr. Roghé having accepted the conditions stated by Mr. Knox, the meeting then adjourned. The following is Mr. Knox's memorandum of rates :—

*Rates to be reduced.*

| | Pies per ton per mile. |
|---|---|
| Full-pressed Bales ..... | from 20 to 18 |
| Half-pressed do. ..... | „ 28 to 26 |
| Docras..... | „ 44 to 40 |

JAMES TAYLOR,
Secretary.

# LIST OF PAMPHLETS AND PAPERS RECEIVED BY THE CHAMBER DURING THE YEAR 1867-68.

| No. | Titles. | Received from |
|---|---|---|
| 1 | The Textile Manufactures and the Costumes of the People of India. | J. F. Watson, M.A., M.D., F.R.A.S. |
| 2 | Kurrachee Harbour Works Correspondence from November 1856 to June 1866. | Bombay Government. |
| 3 | Ditto Correspondence for 1866-67, Vol. II. | Ditto. |
| 4 | Report of the Commission to enquire into operation of Act XIX. of 1861 (in two Volumes.) | Government of India. |
| 5 | Finance and Revenue Accounts of the Government of India for the year 1866-67. | Ditto. |
| 6 | Budget Estimate of Revenue Expenditure and Cash Balance of the Government of India for the year 1868-69. | Ditto. |
| 7 | Proceedings of the Council of the Governor of Bombay for making Laws and Regulations for 1867. | Bombay Government. |
| 8 | Report on the Police Administration of Oudh for the year 1867. | Chief Commissioner, Oudh. |
| 9 | Report on the Revenue Administration of the Province of Oudh for the year ending 30th September 1867, in two Volumes. | Ditto. |
| 10 | Returns on Punjaub Trade Statistics, Nos. I. to IX. for June 1867, with Note. | Punjaub Government. |
| 11 | Administration Report of the Public Works Department, Bombay Presidency, for 1867-68. | Bombay Government. |
| 12 | Statement of the Trade of Sind for 1866-67. | Ditto. |
| 13 | Administration Report of the Bengal Presidency for 1866-67. | Bengal Government. |
| 14 | Administration Report of the Province of British Burmah for 1866-67. | Chief Commissioner to the Governor General. |

*List of Pamphlets*—(continued.)

| No. | Titles. | Received from. |
|---|---|---|
| 15 | Administration Report of Mysore for the year 1865-66. | Commissioner, Bangalore. |
| 16 | Administration Report of the Central Provinces for the year 1866-67. | Ditto Central Provinces. |
| 17 | Administration Report of the Province of Oude for the year 1865-66. | Chief Commissioner, Oudh. |
| 18 | Collection of the existing rules for the Sale in fee simple of Waste Lands in India. | Ditto British Burmah. |
| 19 | Papers and Proceedings of the Agri-Horticultural Society of the Punjaub for the year 1867. | Agri-Horticultural Society, Punjaub. |
| 20 | Annual Report of the Geological Survey of India for the year 1867. | Government of India. |
| 21 | Do. do. and of the Museum of Geology, Calcutta, for the year 1866-67. | Ditto. |
| 22 | Annual Report of the operations of the Post Office of India for the year 1866-67. | Ditto. |
| 23 | Adminstration Report of the Telegraph Department from the year 1862-63 to 1866-67. (in two vols.) | Ditto. |
| 24 | Narrative of the Course of Legislation during the year 1866-67. | Ditto. |
| 25 | Journal of the Agricultural and Horticultural Society of India (Parts I. & II.) for 1867-68. | Agricultural and Horticultural Society of India. |
| 26 | Records of the Geological Survey of India (Vol. I. Part I.) for 1868. | Government of India. |
| 27 | State and Prospects of the existing Indo-European Telegraph. | Lieutenant Colonel F. J. Goldsmid, C.B. |
| 28 | Remarks on a Gold Currency for India. | Colonel Ballard, R.E. |
| 29 | A simple plan for circulating throughout India a State Paper Currency. | Mr. Aliquis. |
| 30 | Report of the Agri-Horticultural Society of the Punjaub for April and May. | Agri-Horticultural Society. |
| 31 | Report on the Comparison of the Tide Tables for 1867, with observations. | Mr. W. Parkes. |

*List of Pamphlets*—(continued.)

| No. | Titles. | Received from |
|---|---|---|
| 32 | Tide Tables for the Port of Bombay from January to December 1868. | Mr. W. Parkes. |
| 33 | Tide Tables for the Port of Kurrachee for 1868. | Ditto. |
| 34 | Annual Report of the Bengal Chamber of Commerce for the year 1867-68. | Bengal Chamber. |
| 35 | Annual Report of the Hongkong Chamber of Commerce for the Half-year ending November 1867. | Hongkong Chamber. |
| 36 | Report of the Hongkong Chamber on the Stamp Act. | Ditto. |
| 37 | Annual Report of the Shanghai General Chamber of Commerce for 1867. | Shanghai Chamber. |
| 38 | Annual Report of the Yokohama General Chamber of Commerce for 1868. | Yokohama Chamber. |
| 39 | Annual Report of the Manchester Chamber of Commerce for the year 1867. | Manchester Chamber. |
| 40 | Annual Report of the Cotton Supply Association for 1867. | Cotton Supply Association. |
| 41 | Annual Report of the Glasgow Chamber of Commerce for the year 1867. | Glasgow Chamber. |
| 42 | Annual Report of the Melbourne Chamber of Commerce for 1868. | Melbourne Chamber. |
| 43 | Annual Report of the Colombo Chamber of Commerce for the year 1867-68. | Colombo Chamber. |
| 44 | Annual Report of the Kurrachee Chamber of Commerce for the year 1866-67. | Kurrachee Chamber. |
| 45 | Half yearly Report of the Bombay Baroda and Central India Railway Company ending 30th June 1868. | B. B. & C. I. Railway. |

# FUNDS OF THE CHAMBER FOR 1867-68.

| Disbursements. | Rs. | a. | p. | Receipts. | Rs. | a. | p. |
|---|---|---|---|---|---|---|---|
| Rent | 2,100 | 0 | 0 | Balance from last year | 5,780 | 0 | 0 |
| Printing | 1,682 | 8 | 0 | Amount received from the Madras Chamber of Commerce on account of Telegraphic Messages | 167 | 15 | 0 |
| Advertisements | 95 | 5 | 0 | Subscriptions | 14,075 | 0 | 0 |
| Newspapers and Books | 132 | 0 | 0 | Sales of Manifests and Trade Returns, &c. | 2,051 | 4 | 0 |
| Postage Stamps | 126 | 14 | 4 | Interest allowed by Treasurers | 235 | 14 | 9 |
| Office Salaries and Petty charges, &c. | 7,348 | 10 | 0 | | | | |
| Stationery | 257 | 9 | 0 | | | | |
| Manifests and Trade Returns— | | | | | | | |
| Salaries ..... Rs. 3,383 9 0 | | | | | | | |
| Printing .... ,, 2,670 12 0 | | | | | | | |
| | 6,054 | 5 | 0 | | | | |
| Commission charged by Treasurers | 162 | 15 | 1 | | | | |
| Balance | 4,349 | 15 | 4 | | | | |
| Total....Rupees | 22,310 | 1 | 9 | Total....Rupees | 22,310 | 1 | 9 |

Balance in hands of Treasurers, 30th September 1868....Rs. 4,349 15 4

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